799. By Mr. O'CONNELL of New York: Petition of the Brotherhood of Locomotive Engineers, Long Island Division, No. 269, Jamaica, Long Island, N. Y., favoring the passage of Senate bill 2306 and House bill 7180; to the Committee on Interstate and Foreign Commerce.

800. By Mr. HUDSPETH: Petition of El Paso Chapter of the American Association of Engineers, indorsing coordination of all engineering and construction work of the Government in one Federal department; to the Committee on the Civil Service.

801. By Mr. SWING: Petition of Southern District California Federation of Women's Clubs, urging continuation of Federal aid to nonward indigent Indians of California; to the Committee on Indian Affairs.

802. Also, petition of San Diego County Federation of the California Federation of Women's Clubs, urging continuation of Federal aid to nonward indigent Indians of California; to the Committee on Indian Affairs.

803. By Mr. TINKHAM: Resolution of a meeting held at Zion African Methodist Episcopal Church, Boston, under auspices of the Declaration of Independence Sesquicentennial Citizens' Committee and Boston Branch of the National Equal Rights League, that the memorial half dollars to be coined in honor of the sesquicentennial of the Declaration of Independence shall bear the inscription "All men are created equal"; to the Committee on Industrial Arts and Expositions.

804. By Mr. WELLER: Petition of the American Legion, New York County Organization, requesting Congress to appropriate money to defray the expenses of gold-star mothers to visit the graves of their sons now buried in France; to the Committee on Military Affairs.

SENATE

WEDNESDAY, *February 24, 1926*

The Chaplain, Rev. J. J. Muir, D. D., offered the following prayer:

Our Father, we thank Thee for the morning, for its brightness and cheer. Grant that we may realize it in our hearts and look upon the duties of the day as freighted with pleasure to fulfill everything required of us and to meet Thine approbation.

Be pleased to look upon the great gathering in our city at this time, and as these men and women are here assembled to deal with questions of education may they be helped with the larger wisdom so that they may understand the grave responsibility of training the youth of to-day for the duties of to-morrow. The Lord give them grace. The Lord give them understanding, that beyond the culture of the mind there may be the development, enrichment, and ennoblement of character. We ask every favor in Jesus' name. Amen.

The Chief Clerk proceeded to read the Journal of yesterday's proceedings, when, on the request of Mr. CURTIS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

RIVERTON PROJECT, WYOMING (S. DOC. NO. 70)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, with an accompanying letter from the Acting Director of the Bureau of the Budget, transmitting a supplemental estimate of appropriation for the Department of the Interior, Bureau of Reclamation, Riverton project, Wyoming, fiscal year 1927, amounting to $200,000, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

DISPOSITION OF USELESS PAPERS

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Treasury, transmitting, pursuant to law, schedules and lists of papers and documents in the files of the Treasury Department not needed in the transaction of business and having no permanent value, and asking for action looking to their disposition, which was referred to a Joint Select Committee on the Disposition of Useless Papers in the Executive Departments. The Vice President appointed Mr. SMOOT and Mr. SIMMONS members of the committee on the part of the Senate.

The VICE PRESIDENT also laid before the Senate a communication from the Acting Secretary of the Navy, transmitting, pursuant to law, lists of useless records and papers in the files of the Navy Department no longer needed in the transaction of public business and having no permanent value or historic interest, and asking for action looking to their disposition, which was referred to a Joint Select Committee on the Disposition of Useless Papers in the Executive Departments. The Vice President appointed Mr. HALE and Mr. SWANSON members of the committee on the part of the Senate.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1) to reduce and equalize taxation, to provide revenue, and for other purposes.

The message also announced that the House had receded from its disagreement to the amendments of the Senate Nos. 39 and 60 to the bill (H. R. 8722) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1926, and prior fiscal years, to provide urgent supplemental appropriations for the fiscal years ending June 30, 1926, and June 30, 1927, and for other purposes; that the House had receded from its disagreement to the amendments of the Senate Nos. 17, 58, and 59, and had concurred therein severally with an amendment, in which it requested the concurrence of the Senate, and that the House insisted upon its disagreement to the amendments of the Senate Nos. 27 and 28.

The message further announced that the House had passed without amendment the bill (S. 2825) to grant the consent and approval of Congress to the South Platte River compact.

PETITIONS AND MEMORIALS

Mr. SHORTRIDGE presented a memorial signed by 320 citizens of Auburn, Placer County, Calif., remonstrating against any modification of the eighteenth amendment to the Constitution or any radical changes in the so-called Volstead Act, which was referred to the Committee on the Judiciary.

Mr. NORBECK presented resolutions adopted by the Brown County Farm Bureau, of Aberdeen, S. Dak., protesting against any change in the franking privilege for agricultural extension work, which were referred to the Committee on Post Offices and Post Roads.

He also presented a resolution of the board of directors of the Sully County Farm Bureau, of South Dakota, favoring the improvement of the Missouri River for navigation purposes as far and as rapidly as possible, which was referred to the Committee on Commerce.

He also presented resolutions of the board of directors of the South Dakota Wheat Growers' Association, favoring the passage of legislation whereby the exportable surplus of agricultural commodities may be segregated, so as not to fix the prices of commodities at world levels, which were referred to the Committee of Agriculture and Forestry.

He also presented memorials signed by 24 members of the Camp Fire Organization of America, and of 36 members of the Boy Scouts, and of 306 citizens, all of Belle Fourche, S. Dak., remonstrating against any modification of the so-called Volstead Act so as to permit the manufacture and sale of light wines and beers, which were referred to the Committee on the Judiciary.

He also presented resolutions adopted by the Chamber of Commerce, of Yankton, S. Dak., favoring adequate appropriations for the improvement of the upper Missouri River, which were referred to the Committee on Commerce and ordered to be printed in the RECORD, as follows:

Resolution passed by the Yankton Chamber of Commerce, Yankton, S. Dak.

Whereas the Congress of the United States in 1910 adopted projects for the improvement of the Mississippi River to the head of navigation with a depth of 6 feet and the Missouri River to Kansas City with a depth of 6 feet, all such improvements to be completed within 10 years; and

Whereas Congress has not carried out the projects as outlined, having failed to make appropriations in amounts sufficient to complete the improvements in the 10-year period resulting in the proposed improvement being not to succeed 50 per cent completed; and

Whereas the money heretofore appropriated by Congress and expended in the improvement of the upper Mississippi and Missouri Rivers can not be effected to aid the agricultural and commercial interests in these valleys because dependable and profitable navigation of the rivers can not be successfully established until the improvement thus started is practically completed; and

Whereas dependable navigation established on the Missouri River can be improved according to plans of the United States Engineering

Corps heretofore adopted by Congress for the improvement of the river to Kansas City and such improvement extended north to Yankton, S. Dak., and give the people of South Dakota and Nebraska, as well as other sections of the Missouri River Valley, additional as well as cheaper transportation facilities to move the surplus farm products out and to bring to this territory a large tonnage of supplies of manufactured products for domestic use: Therefore be it

Resolved by the Chamber of Commerce of Yankton, S. Dak., this 22d day of December, 1925, That we favor and urge the Congress of the United States to make provisions by law and by proper appropriation for the immediate completion of the Missouri River within three years by placing it under the continuing-contract system in accordance with plans heretofore adopted by Congress for the improvement of the Missouri River as far north as Yankton, S. Dak., and even farther, if found feasible, so that water transportation may be made available to the farmers, shippers, and consumers in Kansas, Missouri, Iowa, Nebraska, and South Dakota without delay. And be it further

Resolved, That the upper Missouri River Valley being situated a greater distance in the interior than any other section of the United States and being therefore compelled to pay high freight rates on the long haul on the surplus farm products shipped out as well as a high freight rate on raw material and manufactured products into this section creates an emergency requiring immediate relief; therefore we urge our Representatives in Congress, our United States Senators from South Dakota and from Nebraska, not only to vote but to bring all possible influence to bear in order that the improvement of the Missouri River as far as Yankton, S. Dak., may be made available to serve the agricultural, commercial, and industrial interests of the States of South Dakota and Nebraska at the very earliest possible date.

Done this 22d day of December, 1925.

On behalf of board of directors, Yankton Chamber of Commerce, Yankton, S. Dak.

J. M. LLOYD, *President.*
R. R. JACOBSON, *Secretary.*

REPORTS OF COMMITTEES

Mr. FESS, from the Committee on the Library, to which was referred to the joint resolution (S. J. Res. 30) authorizing the establishment of a commission to be known as the Sesquicentennial of American Independence and the Thomas Jefferson Centennial Commission of the United States, in commemoration of the one hundred and fiftieth anniversary of the signing of the Declaration of Independence and the one hundredth anniversary of the death of Thomas Jefferson, the author of that immortal document, reported it without amendment.

Mr. GOODING, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 2465) to amend the act entitled "An act to regulate foreign commerce by prohibiting the admission into the United States of certain adulterated grain and seeds unfit for seeding purposes," approved August 24, 1912, as amended, and for other purposes, reported it without amendment.

Mr. SMITH, from the Committee on Interstate Commerce, to which was referred the bill (S. 2808) to amend section 24 of the interstate commerce act, as amended, reported it with amendments and submitted a report (No. 203) thereon.

Mr. PHIPPS, from the Committee on Banking and Currency, to which was referred the bill (S. 756) directing the Secretary of the Treasury to complete purchases of silver under the act of April 23, 1918, commonly known as the Pittman Act, reported it without amendment and submitted a report (No. 204) thereon.

Mr. STEPHENS, from the Committee on Claims, to which was referred the bill (S. 2111) for the relief of Levin P. Kelly, reported it without amendment and submitted a report (No. 205) thereon.

Mr. BAYARD, from the Committee on Claims, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

A bill (S. 99) for the relief of the owner of the lighter *Eastman No. 14* (Rept. No. 206); and

A bill (S. 3019) to reimburse certain fire-insurance companies the amounts paid by them for property destroyed by fire in suppressing bubonic plague in the Territory of Hawaii in the years 1899 and 1900 (Rept. No. 207).

Mr. CAPPER, from the Committee on Claims, to which was referred the joint resolution (S. J. Res. 2) for the relief of George Horton, reported it without amendment and submitted a report (No. 208) thereon.

Mr. BROOKHART, from the Committee on Claims, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

A bill (S. 113) for the relief of the owner of the American barge *Texaco No. 153* (Rept. No. 209); and

A bill (S. 646) for the relief of F. M. Gray, jr., Co. (Rept. No. 210).

Mr. BROOKHART also, from the Committee on Claims, to which was referred the bill (S. 1803) for the relief of Walter W. Price, reported it with an amendment and submitted a report (No. 211) thereon.

Mr. STANFIELD, from the Committee on Claims, to which was referred the bill (S. 3074) for the relief of John H. Gattis, reported it without amendment and submitted a report (No. 212) thereon.

He also, from the same committee, to which was referred the bill (S. 2098) for the relief of M. Barde & Sons (Inc.), Portland, Oreg., reported it with an amendment and submitted a report (No. 213) thereon.

Mr. WILLIS, from the Committee on Territories and Insular Possessions, to which was referred the bill (S. 2529) to amend an act approved May 7, 1906, entitled "An act providing for the election of a Delegate to the House of Representatives from the Territory of Alaska, reported it with an amendment and submitted a report (No. 214) thereon.

Mr. BAYARD, from the Committee on Territories and Insular Possessions, to which was referred the bill (S. 3213) to provide for the disposition of moneys of the legally adjudged insane of Alaska who have been cared for by the Secretary of the Interior, reported it with amendments and submitted a report (No. 215) thereon.

Mr. WADSWORTH, from the Committee on Military Affairs, to which was referred the bill (H. R. 2987) for the relief of Samuel T. Hubbard, jr., reported it without amendment and submitted a report (No. 216) thereon.

ENROLLED JOINT RESOLUTION PRESENTED

Mr. GREENE, from the Committee on Enrolled Bills, reported that on the 24th instant that committee presented to the President of the United States the enrolled joint resolution (S. J. Res. 41) providing for the filling of a proximate vacancy in the Board of Regents of the Smithsonian Institution of the class other than Members of Congress.

HEARINGS BEFORE COMMITTEE ON IRRIGATION AND RECLAMATION

Mr. KEYES. Mr. President, from the Committee to Audit and Control the Contingent Expenses of the Senate I report back favorably without amendment Senate Resolution No. 150, and I ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. The clerk will read the resolution.

The Chief Clerk read the resolution (S. Res. 150) submitted by Mr. MCNARY on the 18th instant, as follows:

Resolved, That the Committee on Irrigation and Reclamation, or any subcommittee thereof, hereby is authorized during the Sixty-ninth Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer at a cost not to exceed 25 cents per 100 words, to report such hearings as may be had in connection with any subject which may be before said committee, the expenses thereof to be paid out of the contingent fund of the Senate, and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.

The VICE PRESIDENT. Is there objection to the consideration of the resolution?

Mr. OVERMAN. Mr. President, I ask the Senator from New Hampshire with reference to the amendment which was agreed to by the Committee on Appropriations with regard to paying money out of the contingent fund, and whether the resolution has such a provision in it?

Mr. KEYES. No; it has not, and I do not think it is necessary, for the reason that this is the usual form of a resolution granting authority to a committee to hold hearings.

Mr. OVERMAN. I know it is in the usual form, and that is the reason why I asked the question. Heretofore we have been passing all kinds of resolutions providing for the expenditure of money, amounting to hundreds of thousands of dollars. We adopted a provision in the Committee on Appropriations the other day by which a limitation is to be placed on expenses of this character. The Senator is a member of the Committee on Appropriations and is fully informed about the matter. Does the resolution now before the Senate take care of that situation?

Mr. KEYES. No; it does not.

Mr. OVERMAN. Does the resolution allow the expenditure of an unlimited sum?

Mr. KEYES. It merely allows the committee to hold hearings.

Mr. OVERMAN. It is not for the purpose of employing lawyers or anything of that nature?

Mr. KEYES. No; not at all.

Mr. OVERMAN. That has been done under similar resolutions in the past.

Mr. KEYES. The committee can employ under this resolution no one but a stenographer.

Mr. OVERMAN. The resolution provides only for the employment of a stenographer?

Mr. KEYES. It does.

Mr. WARREN. I may say to the Senator from North Carolina that I also am watching the matter to which he refers. The resolution now presented by the Senator from New Hampshire is in the usual form, to allow the committee to hold hearings and merely to employ a stenographer.

Mr. OVERMAN. If the resolution is in the usual form granting authority to the committee to hold hearings, it is all right, but we shall have to watch out for expenditures of the sort to which I have referred. If we do not put some limitation upon investigating committees, they will be employing lawyers at $1,200 to $1,500 a week or month, and we will swamp the contingent fund. The Senator from New Hampshire realizes that as well as I do, because he is a member of the Committee on Appropriations.

Mr. KEYES. Yes; I have that in mind.

The resolution was considered by unanimous consent and agreed to.

SPECIAL ASSISTANT CLERK TO INTERSTATE COMMERCE COMMITTEE

Mr. KEYES. From the Committee to Audit and Control the Contingent Expenses of the Senate I report back favorably without amendment the resolution (S. Res. 124) authorizing the Interstate Commerce Committee to employ a special assistant clerk during the remainder of the Sixty-ninth Congress.

Mr. GOODING. Mr. President, I ask for the immediate consideration of the resolution.

The VICE PRESIDENT. The resolution will be read for information.

The Chief Clerk read the resolution (S. Res. 124) submitted by Mr. GOODING January 21, 1926, as follows:

Resolved, That the Committee on Interstate Commerce of the Senate hereby is authorized to employ a special assistant clerk during the remainder of the Sixty-ninth Congress, to be paid out of the contingent fund of the Senate, at the rate $2,500 per annum.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

Mr. ROBINSON of Arkansas. Mr. President, I think the Senator asking unanimous consent for the present consideration of the resolution should explain to the Senate the occasion for it.

Mr. GOODING. The Interstate Commerce Committee has before it, or on its calendar, at the present time something like 40 different bills, some of which are important, such as the labor bill, the bill providing for the consolidation of railroads, and so forth. The Interstate Commerce Committee, in dealing with the transportation problem of America, is dealing with the greatest problem of the Government. We have in the country almost 50 per cent of all the railroads in the world, carrying 50 per cent of all the railroad tonnage of the world. I am sure that the committee has imposed upon its chairman onerous duties entirely too long. Pouring into the office of the chairman of the Interstate Commerce Committee every day are from 100 to 200 letters, and on many days from 50 to 100 telegrams. I think we all understand that the railroad companies form the greatest organization in America, and when any legislation is before the Congress in which they are interested, they seem to be able to arouse the whole country.

Mr. ROBINSON of Arkansas. Mr. President, may I ask the Senator a question?

Mr. GOODING. I yield.

Mr. ROBINSON of Arkansas. How many clerks has the committee now?

Mr. GOODING. It has not any. It has been without a clerk. The chairman of the committee, of course, has the usual number of clerks allotted to Senators, but the committee has not any special clerk at all.

Mr. ROBINSON of Arkansas. I did not ask how many special clerks the committee has; I asked the number of clerks.

Mr. GOODING. Of course, the Senator from Indiana [Mr. WATSON] has the same number of clerks that every Senator has.

Mr. ROBINSON of Arkansas. How does it happen that the chairman of the committee does not himself present the resolution and the request?

Mr. GOODING. I think the Senator from Indiana is a little delicate about it. I volunteered to take up the matter and present the resolution. The Committee on Interstate Commerce is one of the largest committees in the Senate—a major committee—and I am sure that what we ought to have as a matter of right is an expert rate man instead of an ordinary clerk. It would be very valuable to the committee to have such an assistant, and I hope in time we may have one.

Mr. ROBINSON of Arkansas. I think if the committee undertakes to deal with questions affecting rates it would be advisable to have a rate clerk. Of course, if the four clerks of the committee now authorized, and who have already been employed, are inadequate to perform the services required by the committee, there ought to be an additional clerk. If the committee makes that representation, I have no objection.

Mr. BRUCE. Mr. President——

The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from Maryland?

Mr. GOODING. I yield.

Mr. BRUCE. I would like to ask the Senator from Indiana [Mr. WATSON], the chairman of the Interstate Commerce Committee, whether this matter was brought before the committee? It never was, I am sure, while I was present at any of its meetings.

Mr. WATSON. I will say to the Senator from Maryland that the question was brought up not by myself but by many members of the committee. I do not recall whether the Senator from Maryland was present or not. The matter was unanimously agreed to as almost an essential proposition. I did not myself bring it up, but it was brought up by many members of the committee who were present.

Mr. CUMMINS. Mr. President——

Mr. GOODING. I yield to the Senator from Iowa.

Mr. CUMMINS. I have had some experience as chairman of the Interstate Commerce Committee. I think that something more is desirable than is specified in the resolution. I do not believe that an additional clerk of the kind that ought to be employed by the committee can be secured for the compensation which the law would permit the chairman to pay. I believe that he ought to be a man skilled in transportation, not particularly in rate making but in every department of that great subject. I hope that the Senator from Idaho will amend his resolution so that the chairman will be able to secure the right kind of a man, a man competent in this particular subject. All the clerks are competent for the work they are called upon to do, but there is a certain training necessary in order to make a man especially useful to the Senator from Indiana, as I have suggested.

Mr. SMITH. Mr. President, I would suggest to the Senator that the resolution be referred to the Committee on Interstate Commerce. I am sure if the matter is brought up before the committee we will give it proper consideration and reach a proper conclusion.

Mr. GOODING. Acting on the suggestion of the Senator from South Carolina, as well as the suggestion of the Senator from Iowa, that we should have a rate expert as a secretary for the Interstate Commerce Committee, I withdraw my request for unanimous consent, and I now request that the resolution be referred to the Committee on Interstate Commerce.

Mr. JONES of Washington. Mr. President, I merely wish to indorse the suggestion of the Senator from South Carolina [Mr. SMITH]. I would have no objection to a proper expert being provided for the committee. I can see the need for such an expert, and I believe that is the provision which should be made.

The VICE PRESIDENT. Without objection, the resolution will be referred to the Committee on Interstate Commerce.

BILLS INTRODUCED

Bills were introduced, read the first time, and by unanimous consent, the second time, and referred as follows:

By Mr. HARRELD:

A bill (S. 3259) authorizing the enrollment of Martha E. Brace as a Kiowa Indian and directing issuance of patent in fee to certain lands;

A bill (S. 3260) to authorize the Secretary of the Interior and the Secretary of War to lease lands for game-preserve and game-propagation purposes to State game departments or other organizations under State or Federal control; and

(By request.) A bill (S. 3261) to provide for allotting in severalty agricultural lands within the Tongue River or Northern Cheyenne Indian Reservation in Montana, and for other purposes; to the Committee on Indian Affairs.

By Mr. CUMMINS:

A bill (S. 3262) to authorize the General Accounting Office to credit certain accounts; to the Committee on Claims.

By Mr. HARRISON:

A bill (S. 3264) for the relief of certain beneficiaries of the United States Veterans' Bureau; to the Committee on Finance.

A bill (S. 3265) granting a pension to Cora Dixie Willett; and

A bill (S. 3266) granting a pension to Lillian Belle Montgomery; to the Committee on Pensions.

By Mr. NEELY:

A bill (S. 3267) for the relief of the heirs of Henry Sturm, deceased; to the Committee on Claims.

By Mr. WHEELER:

A bill (S. 3268) authorizing repayment of excess amounts paid by purchasers of certain lots in the town site of Bowdoin, Mont.; to the Committee on Public Lands and Surveys.

By Mr. TRAMMELL:

A bill (S. 3269) to grant to the city of Key West, Fla., a tract of land belonging to the United States naval hospital at that place; to the Committee on Naval Affairs.

By Mr. GERRY:

A bill (S. 3270) for the relief of Thomas J. McDonald; to the Committee on Military Affairs.

By Mr. COPELAND:

A bill (S. 3271) for the relief of Robert H. Leys; to the Committee on Claims.

By Mr. COUZENS:

A bill (S. 3272) to extend the time for commencing and completing the construction of a bridge across Detroit River within or near the city limits of Detroit, Mich. (with an accompanying paper); to the Committee on Commerce.

By Mr. CURTIS:

A bill (S. 3273) for the relief of the Topeka Tent & Awning Co. (with accompanying papers); to the Committee on Finance.

A bill (S. 3274) for the relief of Lieut. (Junior Grade) O. C. F. Dodge, United States Navy (with accompanying papers); to the Committee on Naval Affairs.

A bill (S. 3275) for the relief of Harry Hume Ainsworth (with accompanying papers); to the Committee on Military Affairs.

A bill (S. 3276) granting an increase of pension to Joseph Southard (with accompanying papers); and

A bill (S. 3277) granting an increase of pension to Elizabeth Wolford (with accompanying papers); to the Committee on Pensions.

By Mr. McKINLEY:

A bill (S. 3278) for the purchase of a site and the erection of a public building at White Hall, Ill.; to the Committee on Public Buildings and Grounds.

A bill (S. 3279) granting a pension to Nelle Head (with an accompanying paper); and

A bill (S. 3280) granting a pension to Willard D. Cook; to the Committee on Pensions.

By Mr. WADSWORTH:

A bill (S. 3283) to provide for the appointment of Army field clerks and field clerks, Quartermaster Corps, as warrant officers, United States Army; and

A bill (S. 3284) to amend a portion of section 15 of an act entitled "An act for making further and more effectual provision for the national defense, and for other purposes," approved June 3, 1916, as amended by the act of June 4, 1920; to the Committee on Military Affairs.

By Mr. McKINLEY (by request):

A bill (S. 3285) to amend section 17 of the Federal farm loan act, approved July 17, 1916 (with accompanying papers); to the Committee on Banking and Currency.

By Mr. MAYFIELD:

A bill (S. 3286) to authorize reduced freight rates in cases of emergency; to the Committee on Interstate Commerce.

EXTENSION OF TIME FOR CONVERTING TERM INSURANCE

Mr. HARRISON. Mr. President, under the law the time for the conversion of insurance of the veterans of the great World War will expire on July 2 next. By the bill which I now introduce it is proposed to extend that time for five years. I ask that the bill may be read and appropriately referred.

The bill (S. 3263) to extend the time for converting term insurance under the World War veterans' act, 1924, as amended, was read twice by its title and referred to the Committee on Finance.

FIFTH AND SIXTH DELAWARE REGIMENTS

Mr. BAYARD. I introduce a bill to authorize the Secretary of the Interior and the Commissioner of Pensions to compute service of the Fifth and Sixth Delaware Regiments from enlistment to discharge.

In connection with the bill I desire to submit a letter from the office of The Adjutant General dated March 24, 1910, to Senator Henry A. du Pont, of the State of Delaware, and also a report submitted by the Senator from Delaware made in connection with the same matter. I ask that these papers, together with the bill, may be referred to the Committee on Pensions, and ordered to be printed.

The bill (S. 3281) to authorize the Secretary of the Interior and the Commissioner of Pensions to compute service of the Fifth and Sixth Delaware Regiments from enlistment to discharge was read twice by its title and, with the accompanying papers, referred to the Committee on Pensions.

SUSAN MARSH WILLIAMS

Mr. SMITH presented sundry papers to accompany the bill (S. 677) granting an increase of pension to Susan Marsh Williams, widow of George Washington Williams, late rear admiral, United States Navy, heretofore introduced by him and referred to the Committee on Pensions.

AMENDMENTS TO PUBLIC BUILDINGS BILL

Mr. OVERMAN and Mr. SHEPPARD each submitted an amendment intended to be proposed by them to the bill (H. R. 6559) for the construction of certain public buildings, and for other purposes, which were ordered to lie on the table and to be printed.

AMENDMENTS TO INTERIOR DEPARTMENT APPROPRIATION BILL

Mr. CURTIS submitted the following amendments intended to be proposed by him to House bill 6707, the Interior Department appropriation bill, which were referred to the Committee on Appropriations and ordered to be printed:

Insert at the proper places in the bill:

For enlarging the office building for administrative purposes at Haskell Institute, Lawrence, Kans., $10,000.

For enlarging the chapel or auditorium at Haskell Institute, Lawrence, Kans., $25,000.

ALASKA FUR-SEAL SKINS (S. DOC. NO. 73)

Mr. JONES of Washington. Mr. President, some time ago the junior Senator from Montana [Mr. WHEELER] introduced a resolution calling on the Secretary of Commerce for certain information concerning Government owned fur-seal skins. The Committee on Commerce referred the resolution to the Secretary, and got the information without bringing the resolution back to the Senate, which is entirely satisfactory to the Senator from Montana. I have also secured some additional information in connection with the same matter. I ask that it may be printed as a Senate document, and referred to the Committee on Commerce.

The VICE PRESIDENT. Without objection, it will be so ordered.

ALICE B. WELCH

Mr. KEYES submitted the following concurrent resolution (S. Con. Res. 3), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved by the Senate (the House of Representatives concurring), That there shall be paid, one-half from the contingent fund of the Senate, and one-half from the contingent fund of the House of Representatives, to Alice B. Welch, widow of John Welch, late Chief Clerk, and for 25 years an employee in the office of the Architect of the Capitol, one year's salary at the rate he was receiving by law at the time of his death.

POSTAL RECEIPTS

Mr. HARRISON. Mr. President, I ask unanimous consent for the present consideration of the resolution which I send to the desk.

The VICE PRESIDENT. The resolution will be read.

The Chief Clerk read the resolution (S. Res. 156), as follows:

Resolved, That the Postmaster General is directed to furnish to the Senate, at the earliest practicable date, a statement showing the postal receipts by classes for the period from July 1, 1925, to December 31, 1925, both inclusive, as compared with such receipts for the corresponding period of the year 1924, together with a statement containing such observations as the Postmaster General may be in a position to make relative to the effect, on the volume of business and revenue received, of the postal rates now in force.

The VICE PRESIDENT. Is there objection to the immediate consideration of the resolution?

Mr. CURTIS. I ask that it may go over under the rule.

The VICE PRESIDENT. The resolution will go over under the rule.

EXCLUSION OF COUNTESS KAROLYI

Mr. WHEELER submitted the following resolution (S. Res. 157), which was referred to the Committee on Foreign Relations:

Whereas the Department of State has officially acted to exclude the Countess Karolyi from the United States; and

Whereas it has been charged that the exclusion of the Countess Karolyi has resulted from the forging of certain documents which tended to connect Countess Karolyi with certain undesirable political organizations with whom the United States is not on friendly terms; and

Whereas information has been obtained which tends to show that the exclusion of the Countess Karolyi resulted from the efforts of certain persons acting at the behest and in the employ of the minister to the United States from Hungary; and

Whereas certain written reports exist which detail the activities of a certain private detective agency, hired and employed by said minister to the United States from Hungary, during the time such detective agency hounded and trailed the Count and Countess Karolyi while the latter were visiting in America, for the purpose of securing unfavorable and inaccurate information purporting to show a connection existing between Count and Countess Karolyi and certain foreign organizations held objectionable to the principles of the Government of the United States; and

Whereas this information of an unfavorable and fictitious character was turned over to the minister to the United States from Hungary by the certain private detective agency for the sum of approximately $20,000 by the said minister to the United States from Hungary to the detective agency actually paid; and

Whereas the said minister informed his paid agents, the detective agency mentioned, that these reports were to be in turn used to present a report to Secretary of State Kellogg, which would result in the exclusion of the Countess Karolyi: Therefore be it

Resolved, That the Committee on Foreign Relations investigate the activities of the said minister to the United States from Hungary and the detective agency employed by him in connection with the Karolyi exclusion.

CHARLES EDWIN HIGHTOWER

Mr. TRAMMELL submitted the following resolution (S. Res. 158), which was referred to the Committee on Post Offices and Post Roads:

Whereas Charles Edwin Hightower, of Jacksonville, Fla., has prepared a list of suggestions for the improvement of the United States Postal Service; and

Whereas it is claimed by the said Charles Edwin Hightower that to have said suggestions installed would bring about a greater degree of efficiency and also operate for economy in the United States Postal Service; and

Whereas it is alleged that certain of his said suggestions heretofore submitted to the United States Post Office Department have been adopted by the department and that he has not been compensated therefor by the Government: Therefore be it

Resolved, That the Committee on Post Offices and Post Roads be, and it is hereby, directed to investigate the merits of the said suggestions made by the said Charles Edwin Hightower for the improvement of the United States Postal Service, with a view to determining whether or not the same or any number thereof should be adopted and Mr. Hightower compensated therefor; be it

Further resolved, That the said committee ascertain whether or not the Post Office Department has in operation any suggestions made by the said Charles Edwin Hightower for which in justice he should be compensated by the Government; and if so, what compensation would be reasonable for Mr. Hightower for the services rendered by him to the Government.

INVESTIGATIONS BY THE PUBLIC LANDS COMMITTEE

Mr. CAMERON submitted the following resolution (S. Res. 159), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That Senate Resolution No. 347, agreed to March 4, 1925, authorizing the Committee on Public Lands and Surveys, or any subcommittee thereof, to investigate all matters relating to national forests, forest reserves, and other lands withdrawn from entry, hereby is continued in full force and effect until the end of the Sixty-ninth Congress, the expenses to be incurred under authority of this continuing resolution to be paid from the contingent fund of the Senate, but not to exceed the sum of $5,000.

URGENT DEFICIENCY APPROPRIATIONS

Mr. WARREN. I ask that the Vice President lay before the Senate the action of the House of Representatives on certain amendments of the Senate to the urgent deficiency appropriation bill.

The VICE PRESIDENT laid before the Senate the action of the House of Representatives receding from its disagreement to the amendments of the Senate Nos. 39 and 60 to the bill (H. R. 8722) entitled "An act making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1926, and prior fiscal years, to provide urgent supplemental appropriations for the fiscal years ending June 30, 1926, and June 30, 1927, and for other purposes," and concurring therein; receding from its disagreement to the amendment of the Senate No. 17 and concurring therein with an amendment, in line 6, after the word "forests," to insert "on account of obligations heretofore incurred"; and in lines 12 and 13 to strike out "*Provided*, This authorization shall not extend beyond June 30, 1927"; receding from its disagreement to the amendment of the Senate No. 58 and concurring therein with an amendment, in lieu of the matter inserted, to insert the following:

NATIONAL SESQUICENTENNIAL EXPOSITION

SEC. 4. For carrying out the public resolution of the Sixty-ninth Congress entitled "Joint resolution providing for the participation of the United States in the sesquicentennial celebration in the city of Philadelphia, Pa., and authorizing an appropriation therefor, and for other purposes," as follows: For the exhibit and participation by the executive departments and independent establishments of the Government and such other expenditures as may be deemed necessary by the National Sesquicentennial Exhibition Commission, including salaries in the District of Columbia and elsewhere, actual and necessary traveling expenses, rent, and all other expenditures authorized by section 1; compensation of the commissioner of sesquicentennial exposition as authorized by section 3; $1,186,500, of which not more than $250,000 shall be allocated to the War Department and not more than $350,000 to the Navy Department as authorized by section 1; for the further participation by the Government for the construction of buildings as authorized by section 2, $1,000,000; in all, $2,186,500, to remain available during the fiscal year 1927.

And receding from its disagreement to the amendment of the Senate No. 59 and concurring therein with an amendment, in lieu of the matter inserted, to insert the following:

BOSTON SESQUICENTENNIAL CELEBRATION

SEC. 5. To enable the Government of the United States to participate in the Sesquicentennial Celebration of the Evacuation of Boston by the British, to be held in the city of Boston, Mass., March 17, 1926, there is hereby created a Federal commission to be known as the United States Evacuation Day Sesquicentennial Commission (hereinafter referred to as the commission) and to be composed of five commissioners, as follows: One person to be appointed by the President of the United States, two Senators by the President of the Senate, and two Representatives by the Speaker of the House of Representatives. The commission shall serve without compensation and shall select a chairman from among their number. For actual and necessary traveling and subsistence expenses of the commission while discharging its official duties outside the District of Columbia, $1,000; and for participation on the part of the United States in such celebration, $5,000, to be expended in the discretion of the commission; in all, fiscal year 1926, $6,000.

Mr. WARREN. Mr. President, certain amendments made by the Senate to the urgent deficiency bill remain in disagreement between the two Houses. The House agrees to the amendments of the Senate Nos. 17, 58, and 59 with amendments and insists on its disagreement to the amendments of the Senate, Nos. 27 and 28. The Senate conferees wish to concur in the first-mentioned amendments to the Senate amendments, and I make the motion that the Senate concur in the House amendments to Senate amendments Nos. 17, 58, and 59.

Mr. ROBINSON of Arkansas. What would be the effect of the action on the part of the Senate suggested by the Senator from Wyoming?

Mr. WARREN. I will state in reply to the inquiry of the Senator from Arkansas that amendment 17 relates merely to a small matter proposing to give legal power to the Comptroller General to settle a claim amounting to but $3,000 where the money has already been obligated.

Amendments 58 and 59 relate to two expositions, one being the exposition at Philadelphia, Pa., and the other at Boston, Mass. There is a change in language making the phraseology plainer. The appropriation in reference to the Sesquicentennial Exposition in Philadelphia is not changed in amount. As for the exposition in Boston, it is proposed to reduce the appropriation from $12,500 to $6,000. Those are the amendments proposed by the House conferees to the Senate amendments, in which I move that the Senate concur.

Mr. ROBINSON of Arkansas. The Senator from Wyoming, as I understand, moves to concur in the House amendments to the Senate amendments as to those items?

Mr. WARREN. I move to concur in the House amendments to the Senate amendments.

The VICE PRESIDENT. The question is on the motion of the Senator from Wyoming to concur in the amendments of the House to the amendments of the Senate Nos. 17, 58, and 59.

The motion was agreed to.

Mr. WARREN. Mr. President, as to amendments 27 and 28, they relate to two bridges. One of those bridges is to be near

Lee Ferry, in Arizona, and it is proposed to appropriate $100,000 for its construction, and that that amount be charged up to the funds of the Navajo Indians.

The other bridge is to be located near Bloomfield, N. Mex., and to be built across the San Juan River. The bill carries an appropriation of $6,620 for that purpose.

On the floor of the Senate those appropriations were challenged while the bill was being considered here. There was then not time to look up the statutes relating to the matter to ascertain whether the law authorized the appropriations as recommended, and there were many Senators who opposed charging the appropriations to the Indians on the ground that the Navajos had only $116,000 in the Treasury to their credit, and if this expense for the construction of these bridges were charged to them it would nearly exhaust their funds. The proposition, therefore, to charge the expenditure to the Indian funds was rejected.

I have found, however, in the meantime, that there are two laws which were passed in January, 1925, in which it is specifically provided that these bridges shall be built and that the expenditures for that purpose shall be reimbursable from the Indian funds. So the action we should take and which I now propose is that the Senate recede from amendments Nos. 27 and 28.

The VICE PRESIDENT. The Senator from Wyoming moves that the Senate recede from its amendments Nos. 27 and 28.

Mr. OVERMAN. Should the motion of the Senator from Wyoming be agreed to, I understand it will leave the provisions as they came to us from the House of Representatives?

Mr. WARREN. The Senate amended the bill by eliminating the provisions that the expenditures for the bridges should be reimbursable from the Indian funds; but if my motion be agreed to, and the Senate recede from those amendments, we shall restore the language of the bill as it originally came from the House of Representatives.

Mr. OVERMAN. When the bill was before the Senate, I made the point of order against the Senate committee amendments.

Mr. ROBINSON of Arkansas. As the language will remain, should the motion of the Senator from Wyoming be agreed to, the cost of the construction of the bridges will be reimbursable from the Indian funds?

Mr. WARREN. The cost of construction will be borne by the Indians under the law.

Mr. BRATTON. Mr. President, one of these bridges, the one involving the expenditure of $6,620, is located in New Mexico. The other, located in the State of Arizona, involves an expenditure of $100,000, making a total expenditure of $106,620 at this time. This policy of appropriating money from the Treasury and making it reimbursable from the tribal funds of the Navajo Indians is not a new thing in the Congress, and consequently it is not altogether proper to confine our consideration to the two items which we now have before us. This practice has gone on for years past, and up to date large sums of money have been appropriated and expended, with provision that the Treasury shall be reimbursed from the tribal funds of the Navajo Indians.

The Indians are opposed to this policy. At their tribal council held in July of last year they registered a unanimous protest against the construction of both of these bridges and transmitted that protest to the Commissioner of Indian Affairs. What the Indians want and what they need are teams and wagons, farming implements, dairy herds, and things of that character that can and will facilitate our bringing them into useful citizenship.

The proposed bridges are primarily for the use of the whites and are secondarily for the use of the Indians. The Bloomfield bridge is located in my State, some 16 miles away from the Indian reservation. The Lee Ferry bridge does connect at one end with the reservation, the other end being upon the opposite side of the river, reaching privately owned land. It is designed to form a part of a great arterial highway for the use of tourists; and, in my judgment, based upon a fairly intimate knowledge of conditions there, it is a misnomer and a camouflage to say that this bridge and its use will be primarily for the Indians. It is, as a matter of fact, for the whites; and the Indians are opposed to a continuation of this policy, which has already progressed to such a point that, indulging even the widest and the brightest hopes in connection with their development of oil and other mineral resources upon their reservation, it will take the Nevajo Indians a long term of years to repay what has already been appropriated upon a reimbursable basis from their funds. A continuation at this time of this policy on the part of the Government over the protest of the Indians, in my judgment, can not successfully be defended upon this floor or in any other forum.

Mr. OVERMAN. Mr. President, may I ask the Senator a question?

Mr. BRATTON. I yield.

Mr. OVERMAN. Mr. President, I have no interest in these matters except to follow the law. If the Senator desires to relieve the condition of which he complains and to change the policy which has been inaugurated, all he has got to do is to introduce and secure the passage of a bill to amend the existing law in this regard. We are, however, face to face with that law, and what are we going to do about it? As I have said, all the Senator will have to do is to secure such an amendment of the law that the money for purposes proposed shall not be reimbursable from the tribal funds. That, however, is the law—I am not talking about this appropriation bill but of the law—and that law says such expenditures shall be reimbursable out of the tribal funds. I am bound as a member of the Committee on Appropriations to see that the law is obeyed so far as I can. Therefore, I suggest to the Senator from New Mexico and to the Senator from Arizona also, that it is quite an easy matter to introduce a bill to amend the existing law.

Mr. BRATTON. Mr. President, answering the distinguished Senator from North Carolina, when that situation is reached I shall pursue that course, but I do not understand that the existing law to which he refers is a mandate to this body to make this appropriation at this time. Far better would it be that this appropriation be killed now and deferred until that can be done, rather than to continue the policy of appropriating sums of money, which in this case aggregate over $100,000, over the protest and contrary to the wish of a helpless people, who do not need and will not use this bridge. It is indefensible to say that this bridge is designed for their use and that they will be benefited by it, when the Indians need things that will lead them into a higher state of education, into a better understanding of citizenship, and to a more intimate knowledge of the duties and obligations that came to them under the act of Congress granting them citizenship. To compel them to continue a policy of paying for things that they do not need and do not want and to continue to force upon them a program of that kind can not be defended here or elsewhere.

I had rather see this appropriation lost altogether than to see it passed in its present unjust, inequitable, and iniquitous condition. I, therefore, hope that the Senate will stand by the position it assumed last week and require that the appropriation be made in proper form, because no question is solved until it is solved rightly. We can not afford to continue this policy, which is bottomed not upon justice, not upon equity, but upon an enforced program of iniquity and inequity toward the Indians.

Mr. WARREN. Mr. President, I wish to say to my friend from New Mexico that I agree with much of his contention, and I was favorable to the amendment which was offered in the Senate striking out the provision. I would also be favorable to a repeal of the law which provides that these expenditures shall be reimbursable from the tribal funds, and to provide another way by law to repay the funds appropriated from the Treasury of the United States; but the Senator must remember that the duties of the Appropriations Committee are to appropriate under the law and to obey the law. I know the Senator from New Mexico obeys the law and expects me to do so. We all have to obey the law.

Here is an appropriation bill carrying nearly a half billion dollars. Thousands and thousands of men are interested in it; employees and persons who have judgments and accounts of various kinds. It comprehends benefits to a great many people, so that we are hardly in position to attack the laws, and thereby hold up all of these things already too long overdue.

This is the so-called urgent deficiency bill, which should have been passed before the holidays. Usually it is passed at that time; but on account of the engrossing business before the House and Senate at the time we did not attempt this year to do anything with appropriation bills until this late day. Therefore, this so-called urgent deficiency bill has mounted very high, and we are now in this position. These two items were put in by the House, as they had a right to do under the law; and we, taking the view of the Senator, struck them out here. We discover now from an examination of the laws that were passed last year that they were authorized at that time. I did not know that those laws had passed. They were passed when I probably was engaged in some other activities. So I do not see any proper way to carry out the desire of the

Senator from New Mexico except to let the bill go through and then make any move that he may desire to make to reimburse these Indians if this money is taken away from them by the pending legislation.

I hope, therefore, that the motion will prevail.

Mr. BRATTON. Mr. President, if the Senator will yield, I did not mean in any way to criticize the committee.

Mr. WARREN. Oh, I understand that; but I wanted to call attention to the situation we are in, because I assumed that the Senator—who is not one of our "ancient" Members—might not know the exact conditions.

Mr. BRATTON. Mr. President, I desire to read into the RECORD part of a letter written to me by the Office of Indian Affairs, signed by Commissioner Burke, which contains an excerpt from the proceedings had at the tribal council of these Indians on July 7 of last year. Mr. Hagerman, the director of Indian affairs in New Mexico, was presiding.

Mr. HAGERMAN. All right; that is settled. Now what do they want to talk about?

J. C. MORGAN (Walker translating). They would like to recommend to the Government that the money they spend * * * that when Congress appropriates, they would like to have Congress appropriate for the benefit of the tribe. They do not want it for the benefit of some other people. They want it for the benefit of the Navajo Tribe.

Mr. HAGERMAN. Well, that goes without saying.

Mr. MORGAN (Walker interpreting). What we mean is that when Congress appropriates money, like they did down here for the bridge at Lee Ferry, they do not want that Congress appropriate this money for the bridges. * * *

CHEE DODGE—

Who is the chief among them.

CHEE DODGE (interpolating and finishing Walker's sentence for him). They object to the use of the tribal funds for such purpose as the bridge at the ferry across the Colorado.

The Commissioner of Indian Affairs undertakes to follow that by resorting to an extremely technical position, namely, saying that the matter was not formally before the council. The situation is clear; it is free from doubt; it is unmistakable; and to say that the Indians should resort to fine language or legal phraseology in drawing up a formal resolution is unthinkable. Their position is clearly recorded. They are opposed to these two bridges. They do not want to pay for them. The money is theirs. They are now citizens, and they want things that contribute to the elevation of their citizenship.

With due appreciation of the position of the committee, and without any criticism whatever, I think that we are not compelled to resort to a technical position by saying that we are required now to make the appropriation and take the money out of the Treasury simply because the act passed at the last session of Congress authorized the appropriation with the reimbursable feature. We can postpone the matter altogether. At least the money should not be appropriated in this fashion.

Mr. CAMERON. Mr. President, I am astonished that the United States Senate will permit an appropriation to go through in the deficiency bill wherein we take this sum of money from a tribe of Indians—the Navajo Indians—when they have only $116,000 in the Treasury of the United States to their credit. By this act we would take from them nearly $107,000 out of the $116,000, leaving them about $9,000 in the Treasury.

I want to ask, as one Senator of the United States, notwithstanding this law which I hold in my hand which was passed at the last session of Congress, if a law is wrong, if a law is iniquitous, why should we as United States Senators vote to dispossess a tribe of Indians who are helpless to defend themselves and take their money out of the United States Treasury and apply it to the construction of two bridges, one in Arizona and one in New Mexico?

As has been said by the able Senator from Wyoming [Mr. WARREN], the chairman of the Appropriations Committee, this is a deficiency bill, and its passage is required to meet other obligations. I admit that; but the United States Senate and the House of Representatives are not required to pass any bill in which we are going to do an injustice and take from people who are protesting against such an act—from the poor Indians out on the Navajo Reservation, who have protested to the Office of Indian Affairs—almost all the money they have in the Treasury.

I am sorry to see such a condition here. I am sorry to see the Office of Indian Affairs recommending such action as Congress is about to take. I can not understand wherein the Congress of the United States has any right whatsoever to take out of the United States Treasury money that has been deposited there for the benefit of a tribe of Indians.

I want to say to the Senate that I have lived near the Navajo Indian Reservation and on the reservation; I have traded with the Navajos, and I know their circumstances; and I know that the Government has never been very helpful to them. I want to say further that when Congress insists upon taking away from them the little money they have in the Treasury I can not think of anything that could be worse.

These Indians are justly entitled to their money in the Treasury; and these bridges, when constructed, should not be constructed from the Indian funds in any way, shape, form, or manner, because the Indians do not use the Lee Ferry Bridge and never have been in that section of the country. They do not even use the ferry. I do not know as much about the New Mexico situation; but the able Senator from New Mexico [Mr. BRATTON] has stated his case, and stated it rightly, justly, and fairly.

I say to you Senators who represent the various States of the Union in the United States Senate that this bill had better go over a week, if necessary. The Senator from Wyoming has said we can pass a law reimbursing these Indians for this amount of money. Let us let this bill go over and pass a law of that kind and amend the existing law so that the Indians will not have to pay this large amount of money.

I tell you right now that if this money is taken out of the Treasury under this bill that is now pending in Congress, the Indians will never get it back. I know how hard it is to get money out of the United States Treasury. Senators talk about a law. We have one for building the Coolidge (San Carlos) Dam. We were authorized by law two years ago to appropriate $5,500,000 for the construction of the Coolidge Dam for the Pima Indians in Arizona. The Budget recommended this year that $450,000 be put in the Interior Department appropriation bill for that purpose. When the bill came over from the House the appropriation was not in the bill.

I want to say, and I mean it, that it will be the most unjust act of Congress if we allow this bill to pass as it now stands and take this money away from the Indians. I want to say further that I hope the Senate will insist on its amendments, and send the bill back to the conference committee, and that they will hold it there until such time as we can amend this law and rectify this great injustice. That will be the just and fair way to do.

Let us not do something because we are white men, and the poor Indians on the reservation are helpless, with no one here to represent them, and the bureau that should be looking out for them and should be guarding the money they have in the Treasury recommending that this sum be taken from their tribal fund to construct a bridge which they will not use. I say it is outrageous; it is dishonest, if I may go that far. I hope the Senate of the United States will stand up to-day and vote to send back this bill to conference, where it belongs, and then let us rectify the wrong that has already been done by the passage of these acts that lie on my desk.

I ask unanimous consent to have the two acts to which I refer printed as part of my remarks.

The VICE PRESIDENT. Without objection, it will be so ordered.

The matter referred to is as follows:

[Public—No. 350—68th Congress]

An act [S. 1665] to provide for the payment of one-half the cost of the construction of a bridge across the San Juan River, N. Mex.

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $6,620, or so much thereof as may be necessary, to defray one-half the cost of a bridge across the San Juan River near Bloomfield, N. Mex., under rules and regulations to be prescribed by the Secretary of the Interior, who shall also approve the plans and specifications for said bridge and to be reimbursable to the United States from any funds now or hereafter placed in the Treasury to the credit of the Navajo Indians, to remain a charge and lien upon the funds of such Indians until paid: *Provided*, That the State of New Mexico or the county of San Juan shall contribute the remainder of the cost of said bridge, the obligation of the Government hereunder to be limited to the above sum, but in no event to exceed one-half the cost of the bridge.

Approved, January 30, 1925.

[Public—No. 482—68th Congress]

An act [H. R. 4114] authorizing the construction of a bridge across the Colorado River near Lee Ferry, Ariz.

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, not to exceed the sum of $100,000, to be expended under the direction of the Secretary of the Interior, for the construction of a bridge and approaches thereto across the Colorado River at a site about 6

miles below Lee Ferry, Ariz., to be available until expended, and to be reimbursable to the United States from any funds now or hereafter placed in the Treasury to the credit of the Indians of the Navajo Indian Reservation, to remain a charge and lien upon the funds of such Indians until paid: *Provided*, That no part of the appropriations herein authorized shall be expended until the Secretary of the Interior shall have obtained from the proper authorities of the State of Arizona satisfactory guaranties of the payment by said State of one-half of the cost of said bridge, and that the proper authorities of said State assume full responsibility for and will at all times maintain and repair said bridge and approaches thereto.

Approved, February 26, 1925.

Mr. TRAMMELL. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Arizona yield to the Senator from Florida?

Mr. CAMERON. Certainly.

Mr. TRAMMELL. Just as a matter of information, I desire to know if this bridge is to be constructed on the Indian reservation.

Mr. CAMERON. Only one end is on the Navajo Indian Reservation.

Mr. TRAMMELL. A further matter of information: Does it contribute at all to the value of the property belonging to the Indians?

Mr. CAMERON. Not at all.

Mr. TRAMMELL. It does not?

Mr. CAMERON. No, sir. It is on the side of the reservation—the Lee Ferry bridge, for which $100,000 is appropriated. I doubt if one Indian goes across the river in a year.

Mr. TRAMMELL. But have the Indians profited where the bridge is to be constructed?

Mr. CAMERON. They have not. I will say to the Senator that this is a canyon country.

Mr. TRAMMELL. The construction of the bridge will not add to the value of the property?

Mr. CAMERON. Not at all.

Mr. HARRELD. Mr. President, this bill was pending before the Indian Affairs Committee. I have been very careful to see that the Indian funds are not spent in the building of bridges, with one or two exceptions. I do not remember the details about this bill at the time it was favorably recommended for passage, but here is what the report shows:

A letter was produced, written by Mr. Stephen T. Mather, Director of the National Park Service, to Congressman HAYDEN, in which he said:

At the present time people from that portion of Arizona north of the Colorado River, known as The Strip, and visitors to the Zion National Park, in order to reach by a safe road the greater portion of Arizona, including the major portion of the Grand Canyon National Park, must make a long detour through California and Nevada, or a still longer detour through Colorado and New Mexico. A road crossing the Colorado at Lee Ferry seems to be the only feasible route connecting the strip country and the rest of the State and would shorten the present distance between the Grand Canyon and Zion National Parks to approximately one-third the distance it is now necessary to traverse in going from one to the other. When this road is built it will be possible to go from the north rim of the Grand Canyon to the south rim in a day.

For the past two years there have been over 100,000 visitors to the Grand Canyon Park annually, the travel for 1924 exceeding that for 1923, in spite of the restrictions against the hoof-and-mouth epidemic, and this travel will continue to grow from year to year. When the two rims are joined by a good road and bridge a still further increase will undoubtedly follow. It will be hard to find any road in the United States that will offer to the traveler so many diversified scenic features, and these features should be made accessible as soon as possible.

Even more important, from the point of view of the State, is the fact that residents of that section north of the Colorado River will have direct access to other parts of the State. The development of the area north of the Colorado River should not and can not be delayed much longer, and such a road would do more to develop that section than any other one thing.

Not alone would residents of Arizona be benefited by the opportunity to reach easily any portion of the State, but the entire State would benefit from the stream of tourist travel that now, after visiting the wonderful Zion and southern Utah country and the north rim of the Grand Canyon, turns back through Utah and on to California from there. Last year 8,400 people visited Zion Park and nearly 4,000 went to the north rim, and each year the numbers increase. If easy access were afforded visitors to Zion and the north rim to cross over to the south rim, most of them, instead of retracing their way, would continue on to southern Arizona on their way to the coast.

I believe that the importance of a connecting road between the strip section of Arizona and the remainder of the State can not be too strongly emphasized. It would be a boon to the State of Arizona, as well as to the traveling public. I know that from the standpoint of the national parks it is vitally important.

Sincerely yours,

STEPHEN T. MATHER, *Director.*

Hon. CARL HAYDEN,
House of Representatives.

There was also produced before the committee a letter signed by the Secretary of the Interior, Mr. Hubert Work, which I want to read. The letter was addressed to Mr. Snyder, chairman of the House Committee on Indian Affairs, dated January 15, 1924, and reads:

Reference is had to your letter of December 24, transmitting for report, among others, H. R. 4114, authorizing the appropriation of $100,000 to be expended under the direction of the Secretary of the Interior for the construction of a bridge and approaches thereto across the Colorado River at a site 6 miles below Lee Ferry, Ariz., to be reimbursed from any funds to the credit of the Indians of the Western Navajo Reservation in that State.

The matter of the construction of this bridge has been under consideration for some time, and thorough investigations have been made of all its phases by representatives of the Indian Service and by Col. Herbert Deakyne, Corps of Engineers, United States Army. A copy of Colonel Deakyne's report, which goes into the technical aspects of the matter in some detail, is inclosed herewith.

The cost of the construction of the proposed bridge has been placed at approximately $200,000, and the local representative of the Indian Service has recommended that that service bear half of the cost, which would seem to be an equitable division thereof. The proposed bridge will connect the Western Navajo Indian Reservation with the public domain on the west of the Colorado River and will furnish an important and permanent outlet for the Indians of that reservation, facilitating their communication with the whites, and assisting them in their progress toward a more advanced civilization. The benefit which will accrue to the white persons residing in that vicinity and to the general traveling public will be great and will probably be equal to the benefit which will be derived by the Indians. This bridge will make at all times the only possible north and south route between the Salt Lake Railway on the west and the road north from Gallup, N. Mex., on the east. An immense country lies between this railway and the town of Gallup, and the proposed bridge will be an absolute necessity to the proper development of that section.

In view of the fact that the Indians of the Western Navajo Reservation will derive great benefit from the erection of the proposed bridge, estimated to be equal to the benefit which will be derived by the white settlers, it would appear reasonable that the $100,000 which it is proposed to appropriate from public funds for the payment of half of the cost of construction be made reimbursable to the United States from any funds now or hereafter placed to the credit of such Indians and to remain a charge upon the lands and funds of such Indians until paid.

It is recommended that H. R. 4114 receive the favorable consideration of your committee and of the Congress.

Very truly yours,

HUBERT WORK, *Secretary.*

That is the evidence the committee has before it.

Mr. WHEELER. Mr. President, the chairman of the Committee on Indian Affairs of the Senate is, in my judgment, one of the fairest men who has been chairman of that committee for a long period of time. I know he is always interested in attempting to protect the Indians of this country. But I want to say this, that I think the time has come when we ought to call a halt on appropriating the money of the Indians of this country for the purpose of building bridges, and for the benefit of the white men of the country.

A good many years ago, in some of the instances back as far as 1851 and 1855, the United States of America entered into treaties by which they got the Indians of this country to give up valuable rights which they possessed in consideration of the fact that the Indians would subject themselves to the guardianship of the United States.

Since that time we have established here in Washington a bureau, which has supposedly been for the protection of the Indians of the country. Yet I venture to say that an analysis of the legislation which has been passed by the Congress of the United States of America, on the recommendation of the Bureau of Indian Affairs, has done nothing but rob these Indians time and time again. The Congress of the United States has violated in many instances every provision of these Indian treaties, and has treated them just exactly as the Kaiser treated a treaty when he said it was a mere scrap of paper.

Why have we done that? It is because of the fact that the Indians are helpless, because of the fact that numerically they are not strong. We have taken their land, we have turned it over to the whites, we have appropriated their money, and we have treated them in a shameful manner. Instead of the Bureau of Indian Affairs seeing that the Indians were protected, they have been doing just the opposite.

Just recently the Indians in Montana from the various reservations have come to Washington to petition the Congress of the United States to give them an opportunity to go into court to sue the Government by reason of violations of their treaty rights. What has been the result? The position of the Bureau of Indian Affairs was that they did not want to give the Indians a chance to go into court at all. They said the law was against them; that they were not entitled to anything; as a matter of fact, setting themselves up as a court and deciding both the facts and the law. All the Indians have asked for is an opportunity to go into the white man's courts and ask that their claims be adjusted in those courts.

Next, we have the department saying that they can not permit to be passed measures giving the Indians the right to go into court, because it would interfere with the economy program of the administration. Think of it! We are to deny the Indians their right to go into court and sue for something that is justly due them, or at least what they think is justly due them, not in their own courts, but the courts of the United States, and we are to deny them on the ground that it might interfere with the economy program of the administration.

I do not know the facts in this particular case under discussion, but I am willing to take the word of the Senator from Arizona when he says that what is proposed would not be of any benefit to the Indians, and that they are protesting against it. I say that it would be a shame for Congress to appropriate money which belongs to the Indians over their protest. Would we do it with any other class of people? Would we appropriate money in the hands of this Government if it belonged to England and use it for any purpose whatsoever?

Mr. HARRELD. Mr. President——

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from Oklahoma?

Mr. WHEELER. Certainly.

Mr. HARRELD. I presume the Senator will admit that there are occasions where the Indian property can be very materially improved, and the value increased, by expenditures for the building of bridges, or for any other sort of improvements. I do not suppose the Senator means to say there never is a case of that kind?

Mr. WHEELER. Not at all. I think there are cases where the Indians would want their money appropriated, because it would be for their benefit, but I do say that when they come to Congress and say that a proposed expenditure is not for their benefit, that they do not want the money expended, that it is not going to do their property any good, and that we are expending it for the white men, we ought to be ashamed of ourselves to do it, and it should not be done. I am glad to see the Senator from Arizona trying to protect the small minority, these Indians, down in his State, and to see the Senator from New Mexico trying to protect the Indians in his State. Time and time again we have used the Indian's money for things it should not have been used for, and it is time to call a halt.

I repeat I am not familiar with the facts of this case, and I am aware that the failure to pass this law might place us temporarily in an embarrassing position. I do say, however, that it will be much better to send this bill back and have it delayed until such time as we could pass a bill through Congress to relieve the situation. There is no excuse, in my judgment, for taking the money.

Mr. HARRELD. Mr. President, the Senator from Montana states that he believes the Indian tribes ought to be allowed to go into the white men's courts for the purpose of determining the justness of their claims against the Government. He is a member of the Committee on Indian Affairs himself, and I am sure that he will agree that within the last two years the policy has been adopted by the Senate committee, and by the Senate itself, to allow these tribes to go into the Court of Claims and present their claims, and I ask him if it is not a fact that some eight or nine different tribes have been given permission to do that very thing?

Mr. WHEELER. I am very glad to say that that is so, and that it has been largely due, in my judgment, to the good will toward the Indians shown by the distinguished Senator from Oklahoma, the chairman of that committee, that those bills were reported out of the committee. But I do say that in almost every instance it has been over the protest of the Commissioner of Indian Affairs. I had occasion myself, before I came to this body, to come to Washington and interview the Commissioner of Indian Affairs. He told me at that time that he was opposed to the Indians going into court on that occasion. I know, and the Senator knows, that the commissioner has used the argument that he did not want to see bills passed by Congress unless they conformed to the particular kind of a bill he wanted to have passed, which, if it were enacted, would limit the Indians so that they would not be able to go into court, in my judgment, and recover all they ought to recover, and it would permit a Government attorney to raise technical objections against the rights of the Indians.

Mr. HARRELD. The policy does exist of giving these Indians a hearing in court in matters of that kind.

Mr. WHEELER. The policy does not exist in the Bureau of Indian Affairs.

Mr. HARRELD. It is the policy of Congress.

Mr. WHEELER. The policy does exist in the Committee on Indian Affairs, of which the distinguished senior Senator from Oklahoma is chairman, I am very glad to say.

Mr. WARREN. Mr. President, I wish to point out what the question is, and what can be done. I do not care to multiply words, but I want to help Senators out of this situation, and I want to see whether they will realize that this is an attempt to help them out, or whether there is to be a long-continued controversy.

There is the law on the statute books, as I said before, and we are called upon to appropriate under the law. As is nearly always the case, the House framed this appropriation bill. They inserted both of the provisions in controversy. The bill came to the Senate, and the chairman of the Committee on Indian Affairs and members of the committee, hearing what the parties interested felt about the matter, were inclined to help them out, desired to help them out. So we struck out those provisions altogether.

The committee did not agree to strike out one part and leave the other in. It will be remembered that there was some confusion in the Chamber at the time the matter was acted upon; the Vice President was not in the chair, and there was some question as to the motion to be voted upon. I remember that very well, because there was a great deal of confusion. But we cut those provisions out.

Then we met the conferees on the part of the House, and they said they would not agree; that they would take the matter back and see whether the House insisted upon its position; that they would take it back and let the House settle it. They went back to the House, and the House rejected the amendments to their provisions, and we now stand where we must do one of two things. We can accept the House amendment to our amendment, which will close the matter so far as this bill is concerned, and the Senators who have been so forcibly presenting this matter can initiate a movement to repeal those laws, or an injunction of some kind can be served.

But now suppose we take the other alternative, and the Senate insists on its amendments, and we ask for a further conference. The Chair would then name the conferees. We would go back and meet the gentlemen from the House, and we would be confronted immediately with the law, although thus far we have discovered the trouble ourselves, and they would immediately say, "No; we will not do it." We would work over it a few days or a few evenings until there is further disagreement, but, of course, we, representing the Senate, would finally be compelled to surrender if they stuck to it, because as old as the House itself, certainly older than any of its Members, is the line of action of conferees that if the House presents a matter to us here that is not authorized under the law and rules, we can finally force them to surrender to us, but when we add such things as this, the striking out of their language, or when we differ from them in such a way as this, in the end we must surrender as we always have done and as the RECORD will show we have done time and again.

Suppose we have the same House influence that put these sections in the bill when we go back to further conference. It will be seen that we do not make any friends by that course. We start in to delay action on the bill for days or weeks or months. We disoblige a great many people, some Senators and a great many Members of the House, and others. The very object we want to attain, to protect the Indians, is losing its friends, and we are losing our influence by making enemies instead of friends.

On the other hand, suppose that we finally get them to agree to strike out these provisions. We still have the law, and we will have to meet it at some time. Certainly Congress is not going to butt itself against the law which we ourselves have made.

On the other hand, to cover the mistake of legislation, if it be a mistake, we would then have an open field, and I am ready at any time to afford any assistance I can to Senators and to the subject. In fact, we proved that in the committee by what we did when we undertook to strike out these provisions.

That is what I consider to be the situation. If Senators want to get out of this difficulty, if they can get out of it, my judgment is that the way to do it is to introduce a new measure, which we can pass here just as quickly as possible, and which can be passed almost as quickly as this matter could take care of it, because a bill of this nature can not be held up very long. One side has to yield to the other. The very influences that put these sections in the bill are still in the House, and we have them to meet. I submit that I am proceeding in what I believe to be the best way to help Senators out of this situation. Therefore, I have moved that the Senate recede from our amendments and settle the matter and clear the decks for action. However, on the other hand, if Senators think we can accomplish anything through another conference, I am willing to ask for another conference and go back to the House with the matter, but I fear we are only getting ourselves in a worse fix than we are in now.

Mr. HARRELD. Mr. President, what would be the effect, I would like to ask the Senator from Wyoming, if we concur in the report? It would simply mean that the appropriation is made for the two bridges?

Mr. WARREN. That is correct.

Mr. HARRELD. That would not prevent any Senator from introducing a new bill to repeal what would then be a provision of the law?

Mr. WARREN. Oh, no; not at all. They can reach it in another way. All the Treasury Department usually wants is a hint that we want something not paid for a while, and the officials there will then hold up payment until some legislation is enacted or some action is taken to cover the situation.

Mr. HARRELD. Under those circumstances, I think the proper thing to do is to let the motion of the Senator from Wyoming be agreed to and then leave the matter open for action on the part of any Senator who wants to introduce a bill to repeal that section of the law.

Mr. ASHURST. Mr. President, will the Senator from Oklahoma yield?

Mr. HARRELD. Certainly.

Mr. ASHURST. The able Senator from Oklahoma is chairman of the Committee on Indian Affairs. There has been introduced and is now pending before that committee a bill proposing to repeal the reimbursable feature of the law regarding the Lee Ferry bridge. I called at the Senator's office this morning and he was kind enough to inform me that the committee's next meeting will be on Friday of this week. Am I correct?

Mr. HARRELD. The Senator is correct.

Mr. ASHURST. The Senators who have spoken, my colleague [Mr. CAMERON], the junior Senator from New Mexico [Mr. BRATTON], and the junior Senator from Montana [Mr. WHEELER], are members of the committee, and I also happen to be a member of the committee. I hope that on Friday, when the committee meets, we may be able to report out the bill proposing the repeal of the reimbursable feature of the law respecting the Lee Ferry bridge.

Mr. HARRELD. I had overlooked the fact that the bill was pending before the committee, but, since the Senator has called my attention to it, I remember that it is there. I see no reason why the motion of the Senator from Wyoming should be held up on that account, however.

Mr. WARREN. Our position is this, and I ask Senators to understand it: The House is proceeding according to law. The Senate itself was a party to the enacting of that law. If we are sent back to conference, we stand convicted of undertaking to break a law which we in part enacted, and of trying to throw the blame on the Members of the House. On the House side they are protected, because they are carrying out the law.

Mr. OVERMAN. Mr. President, I am not sure that I understand the parliamentary situation. The Senator said we ought to follow the law and ought to obey the law, but suppose the matter goes back for further conference, what would be the effect? Does not that open up every amendment that is put on the bill and the whole thing goes into conference again?

Mr. WARREN. They have that power. It is not usual, though, I will say.

Mr. OVERMAN. No; I know it is not.

Mr. WARREN. But it can be done.

Mr. OVERMAN. It can be done; and any Senator can reopen any item that has theretofore been agreed upon.

Mr. BRATTON. Mr. President, in response to the suggestion made by the able Senator from Wyoming [Mr. WARREN], I desire to say that with him and his committee I have no quarrel, but the same influences that are urging the adoption of the reimbursable feature of the two laws might well be expected to oppose the passage of a simple bill repealing the reimbursable feature, so that concurrence in the amendment and reliance upon passing a law subsequently leaves entirely out of consideration the possibility that we might not pass such a bill, and that this injustice—and I repeat with emphasis that it is an injustice to the Indians—would still be in existence and there would be no cure for it. It seems to me that the logical course to pursue would be to withhold action on the particular item covered by the motion of the Senator from Wyoming until we can pass such a bill.

Mr. WARREN. The Senator knows that can not be done. The bill now before us has to go up altogether or down altogether. It has gone too far to be held up now. We must either concur or kill the bill altogether, or send it back for further conference. Do not make any mistake about that. We are trying to get the Senator out of the place of difficulty rather than get him into further trouble.

Mr. BRATTON. I appreciate that, and I rely completely upon the sincerity of the Senator; but the difficulty that I anticipate is the passage of such a bill through the House. The question can never be solved until it is solved rightly. The Congress has pursued a wrong policy up to date. It has forced upon the Indians payment in part or in whole for things that they have not needed and do not need and do not want.

Mr. HARRELD. There are very few such instances. I recall one instance where I had a bridge-building proposition stricken out of an appropriation bill pending before the committee. But I do not think the Senator ought to make the statement that that is the policy. It is true that once in a while it happens, but I do not believe it is a general policy.

Mr. WILLIAMS. Mr. President, will the Senator from New Mexico yield to me?

Mr. BRATTON. Certainly.

Mr. WILLIAMS. My understanding is that the reimbursable amount chargeable to the Indians is over $400,000; that the Indians did not care so long as they had no money to meet the charges made against their account; but now that they have a small income derived from oil leases on these reservations, which yield to the Navajo Indians about $10,000 a month, the reimbursable features have become effective or are about to become effective. It is a sharp issue, now that money is coming into the treasury of the Indians, and they need that money for their stock and for their other uses. I submit this as the result of a very pathetic appeal made not only by the Indians themselves but by a very distinguished gentleman who is familiar with these particular Indians and has advised me fully of the facts. I trust that we will not recede from the position we have taken.

Mr. BRATTON. The distinguished Senator from Missouri, I think, has stated the situation with substantial accuracy. I think the appropriations already made must be paid now within a short time, because the Indians are beginning to realize some money. Heretofore the policy has been all theoretical. Now it becomes one of reality, and the day of payment is drawing near for the Indians and they are protesting against the policy. To be sure, they have manifested a more or less indifferent course, but simply because they had no money and did not expect the reimbursable feature ever to be carried out. I do not want to be captious about it nor to pursue a controversial policy, but I do think that we can never afford to stand by and see this appropriation made and become a reimbursable one, relying upon the passage of a bill later in the session to repeal the reimbursable feature.

Mr. WILLIAMS. Mr. President, may I ask the Senator a question?

Mr. BRATTON. Certainly.

Mr. WILLIAMS. Is it not a fact that one of the bridges is more than 16 miles from the nearest point to the reservation?

Mr. BRATTON. That is correct, and for the information of the Senator I stated that a short while ago in the course of my remarks. Supplementing that, the distinguished Senator from Arizona [Mr. ASHURST] has stated, with reference to the bridge in his State, that while one end of it touches the soil belonging to the reservation, the bridge is intended primarily for the use of the whites and that it will not accommodate the Indians at all, and that it is not intended to accommodate them. That is true of both bridge propositions.

Mr. HARRELD. If that is true, there ought to be no trouble about getting the provision repealed. It is a question now of dealing with the situation as it is before us. I do not believe

we can afford to hold up final action on the appropriation bill on account of this matter, because we have our remedy. If that is the fact, it will not be long until such a bill would pass through the Senate, because I shall make it my special business as chairman of the Committee on Indian Affairs to see that it is put through in the very shortest possible time. I think the whole committee will join in that effort. I appreciate that the Senator from New Mexico anticipates having trouble in the House, but I do not believe he will have any trouble if he is able to establish the state of facts that he has set forth here. I think there will be no trouble in getting the bill through the House under that state of facts.

But suppose we stand pat and the matter goes back and is not agreed to finally. It will only result in embarrassment, because the provision would still be in the law and it will some time have to be repealed, or else some time we will have to make an appropriation for it. I believe we ought to do as the chairman of the committee has suggested. We ought to let the motion of the Senator from Wyoming be agreed to, and then undertake to repeal the provision of the law under discussion. I will say to the Senator from New Mexico now that if the state of facts which he has set forth can be shown to the House to exist, he will have no trouble in getting his bill through the House, I am sure.

Mr. BRATTON. Mr. President, personally I am unwilling to assume the responsibility of making the concession and relying upon the passage of a bill later, because we may fail to pass the bill, and I should consider myself derelict in my duty on this floor were I to assume that responsibility and fall into that situation. I think the proposal is fundamentally wrong, is fundamentally unjust, and it should be held up until we can get relief and get it in the right way.

Mr. WARREN. The Senator from New Mexico will not have to vote for it; and so, even if it shall be carried, he will assume no responsibility.

Mr. BRATTON. I yield the floor, Mr. President.

Mr. CAMERON. Mr. President, I should like to ask the chairman of the Committee on Appropriations how much of the appropriation carried in the urgent deficiency bill is made at once available?

Mr. WARREN. Practically every dollar of it.

Mr. CAMERON. Every dollar of this tremendous deficiency appropriation?

Mr. WARREN. Yes; unless in a case where the appropriation may be purposely extended over to the early part of the fiscal year 1927; but a deficiency appropriation bill is always intended to provide for almost immediate payments.

Mr. CAMERON. Some of the appropriations I thought were available only during the new fiscal year.

Mr. WARREN. Let me say to the Senator, however, that officials not only of the Treasury Department but of other departments of the Government have during my term of service always been ready to notice what is going on in the two Houses of Congress in the way of legislation which would affect the payment of appropriations, holding the payments back at times and at other times waiting, very much against the wishes of the people who wanted the money expended. The officials are always in favor, where disputes arise, of letting the matters be settled outside before the money can be obtained from the Treasury.

Mr. CAMERON. Mr. President, I appreciate what the Senator from Wyoming has stated, but at the same time I do not feel that I can be a party to an unjust measure. I feel that this is unjust. It is very nice for the chairman of the Committee on Indian Affairs, the distinguished Senator from Oklahoma [Mr. HARRELD], to tell us how easy it will be to repeal an act of Congress. It will not be easier for us to repeal the existing act than it is for us to stand here now and oppose the proposition which is now confronting us, which is wrong. Why should we not protect these citizens now? I appeal to the Senator from Wyoming. He has been very courteous in explaining the matter, and I have been glad to listen to him, but I say that if we let this go by to-day we are not going to get the law repealed at this session of Congress; neither will the Indians be reimbursed for the money which will be taken away from them. I hope that the Senate will vote to send the proposition back to conference. If we can repeal the law, let us get busy and do it, but I hope the Senate will not at this time sustain the motion of the chairman of the committee.

Mr. WARREN. Mr. President, I ask for the yeas and nays upon my motion that the Senate recede from its amendments Nos. 27 and 28.

The VICE PRESIDENT. The question is on the motion of the Senator from Wyoming that the Senate recede from its amendments Nos. 27 and 28, on which the yeas and nays are demanded.

Mr. WALSH. Mr. President, the attention of the junior Senator from Utah [Mr. KING] was called a day or so ago to an amendment incorporated in this bill. That amendment, which was made in the Senate, has apparently been agreed to by the House, and it was the purpose of the Senator from Utah to draw the attention of the Senate to it when the conference report came before it for consideration. The Senator from Utah, however, has been taken ill, as have many of the Senators, and is unable to be here to-day. I have been requested to lay the matter before the Senate in his behalf.

Mr. JONES of Washington. Might I suggest to the Senator from Montana that my understanding is that the conference report on this bill has, in fact, been agreed to by the Senate? The proposition now is with reference to the two amendments that were in disagreement coming over from the other House, and the question is not on agreeing to the conference report, which, in fact, was agreed to a day or two ago.

Mr. WALSH. So I understand. The amendment referred to, Mr. President, will be found on pages 58 and 59 of the bill and provides for the payment of judgments of the Court of Claims referred to in Senate Documents Numbered 52 and 54.

Mr. WARREN. I think I can relieve the apprehensions of the Senator from Montana regarding that matter. What is the name of the firm concerned in the judgment of the Court of Claims to which the Senator from Montana refers?

Mr. WALSH. It is the C. Kenyon Co. (Inc.).

Mr. WARREN. That is the name of the firm which I have in mind. The Senator from Utah, doing his duty as he always does, called me up late one evening in the committee room and told me he had been informed that this claim was a fraud, and so on.

I asked him to let me know about the matter in the morning. So in the morning, when the conferees were together, I sent for the Senator and he appeared before the conferees. He there made a statement, telling where he got the information. He obtained the information from the same person who has made complaints against very many matters of late, all of which have turned against his testimony. The conferees on the part of the House of Representatives said they had taken particular pains to look the matter up. Whereupon, before going any further I called up the Court of Claims and secured a statement from the clerk of the Court of Claims as to the procedure and all about it. We then consulted one of the Assistant Attorneys General of the Department of Justice, who had had his attention called to it, and it was pronounced all right. The Senator from Utah [Mr. KING] said he was satisfied about it, and withdrew.

Mr. WALSH. Mr. President, I wish to lay the situation before the Senate at this time, as a mere matter of record. I understand that in all probability the damage has been done and that it is perhaps past repair, but the situation is this——

Mr. WARREN. Mr. President, if the Senator will allow me one more word, it seems that the claim had to do with a consignment of raincoats. There were accounts back and forth between the Government and the company, and there was one matter which probably the informant of the Senator from Utah did not understand which later in the consideration of the matter came up and was taken into account. I do not give the figures because I do not recall them at this time, but the adjustment of the claim seemed to be satisfactory to all parties including those representing the Government.

Mr. WALSH. I have a brief statement of the situation here which I desire to present for the RECORD. This implies no criticism whatever of the Committee on Appropriations. That committee had before them a judgment in favor of the claimant which had been rendered by the Court of Claims, and they had every reason to suppose that the judgment was all right and ought to be paid. I desire, however, to call attention to certain facts from the record in the case which indicates that it is exceedingly doubtful, to say the least, whether the judgment was appropriately rendered, and in my opinion, the matter ought to have had more careful investigation.

The claim, Mr. President, is for raincoats furnished during the war. The claim was disallowed by the War Department after very careful consideration. It was referred to the Department of Justice; it was examined into by the Department of Justice, where it was disclosed that after the company had presented a claim for raincoats and that had been adjusted and, as my recollection is, the claim had been paid, the company submitted the additional claim. It is contended, as I understand, that the claim for this particular consignment of raincoats was embraced in the prior claim and had actually been paid for; that this particular claim was fraudulent; and

that the company had actually been overpaid upon the preceding order.

Mr. WILLIAMS. Mr. President, may I make an inquiry of the Senator?

Mr. WALSH. The facts are disclosed, if the Senator will permit me, in a letter addressed to the present Senator from West Virginia [Mr. GOFF] when he was then Assistant Attorney General and Mr. Robert H. Lovett, who was Assistant Attorney General in charge of matters before the Court of Claims, by Mr. Brewer, whose name is not unfamiliar to Members of the Senate and of the House; but it is concurred in by another Special Assistant Attorney General, James R. Sheppard, who was detailed by the War Department to look into all of these matters.

Mr. WARREN. Mr. President, will the Senator allow me to ask him a question.

Mr. WALSH. Yes.

Mr. WARREN. Is this Mr. Brewer the same man who created what might be called a disturbance in the Bureau of Engraving and Printing some years ago and caused the discharge of men whom the Senator from Montana and other Senators have voted back in their places?

Mr. WALSH. I think he is the same man, but that does not affect the situation at all. The thing does not depend upon any statement made by Mr. Brewer. The facts are matters of record.

Mr. WARREN. Of course, the Senator knows that the Committee on Appropriations and the Senate itself could hardly afford to try over again cases in which the courts have rendered judgments. The judgments come to us as due. The courts investigate the claims and decide them and they come to the Congress as having been adjudicated. The number that come before the committees of Congress from year to year is so large that it is impossible for us to attempt to retry them or anything of that kind. All we can do is to secure the best information we can and act on the judgments as submitted.

Mr. WALSH. As I have said, I am not intending to offer any criticism on the Committee on Appropriations at all. They had a right to assume that the judgment was properly entered. The facts, Mr. President, however, will be disclosed in the letter to which I have referred, dated September 24, 1921, and reading as follows:

Attached hereto is the report on the proposed recovery from the C. Kenyon Co., paid by a War Department Claims Board in settlement of the raincoat contract.

This matter was formally referred to the Department of Justice by the Comptroller of the Treasury in his letter of January 19, 1921, which stated that the Auditor for the War Department had disallowed settlements for said payments in the accounts of the disbursing officer who made payment.

The comptroller also forwarded a letter of the Secretary of War, dated January 7, 1921, in which the Secretary of War stated that the action of the board which allowed the claim had been reexamined and it had been found that the settlements were not on the favorable returns cited by the board which made the awards, and that the Secretary was far from satisfied with the correctness of the awards and suggested reference to the Department of Justice to assist in determining whether the Government will be justified in instituting either criminal or civil actions against the parties concerned.

This is the action of the War Department.

Accompanying the letter of the Secretary of War was a report of the then vice chairman of the War Department Claims Board, dated December 21, 1920, in which it was stated that of $756,714.72 claimed by the Kenyon Co. only $54,231.73 was allowable, and it was probable that the claim should be further reduced by an additional $138,058.11.

That is to say, that the War Department asserted that of a claim for $756,714.72 only $54,000 in their judgment was allowable.

They continue:

When this matter was received at the Department of Justice, request was made of the Secretary of War to detail for assistance on this claim Capt. James R. Sheppard, who had handled various other raincoat claims, and was familiar with the War Department's records necessary for an intelligent handling of the claim in question. Captain Sheppard was accordingly detailed to this work under the War Department, and since the 1st of July has continued on the work as Special Assistant to the Attorney General. Captain Sheppard's report is attached hereto. The subject is a lengthy one, and much more could be written than is submitted.

So it will be observed that the objection to this claim does not rest upon the statement of Mr. Brewer at all. It rests upon the statement as a result of an investigation made by Captain Sheppard, of the Army.

The report attached is confined practically to the War Department's records and to the statements of the claimant itself, made at various times, it having submitted several claims at different times.

An examination of Captain Sheppard's attached report will show—

(a) The material claimed by the C. Kenyon Co. was not purchased for contract 1514, as claimed by them.

(b) That the material claimed to have been left over from the contract and on hand January 1, 1919, was not on hand, as claimed.

(c) That another claim made by Kenyon Co. under another contract was settled by a different War Department claims board, and that every single item used by the C. Kenyon Co. to make up the amount in the other claim was included in the claim in question.

(d) That the claim herein was submitted after settlement of the other claim referred to in (c) was made.

(e) That the material, or at least a large part of it, was used by the C. Kenyon Co. on other contracts and was paid for by the Government in full before any claims were filed by the C. Kenyon Co.

(f) That the claims board who made the awards on the contract in question was composed of ex-Maj. Joseph C. Byron, ex-Capt. E. R. Estes, ex-Maj. L. W. Holder, Mr. H. L. Roberts, and Mr. E. L. Weber, deceased (the first two members named are now connected with the United States Harness Co.; the third is an attorney who examined the contract and secured the bond for the harness company.

(g) That when Major Byron and Mr. Holder were seen by Captain Sheppard in his dual capacity as member of the War Claims Board and representative of the Department of Justice they were evasive in their answers and conflicting in their statements, yet forthwith furnished information to the attorney for the claimant company.

After disallowance of payment by the disbursing officer it is understood that the War Department held up payment on certain contracts which it had with the C. Kenyon Co., and the amount of money which would otherwise be due is about $350,000. It is recommended that this money be retained by the Government, and if suit in the Court of Claims is entered for it that the Government can set up as a counterclaim the $350,000 paid for the claim in question under provision of section 172, Judicial Code, providing that any person who corruptly practices, or attempts to practice, any fraud against the United States in any part of a claim shall forfeit the whole of the claim to the Government.

CHAS. B. BREWER,
Attorney for the United States.
JAS. R. SHEPPARD, Jr.,
Special Assistant to the Attorney General.

Now, I desire to call attention to the fact—and possibly the chairman of the Committee on Appropriations was not aware of it—that when suit was commenced in the Court of Claims, as shown by the printed record of the case——

Mr. OVERMAN. Mr. President, may I ask the Senator a question?

Mr. WALSH. Yes.

Mr. OVERMAN. Were these facts before the Court of Claims when they gave their judgment? Were they presented by the Government?

Mr. WALSH. Apparently not.

Mr. OVERMAN. That is a very strange thing.

Mr. WALSH. That is just the point to which I am calling attention.

Mr. OVERMAN. It is very strange that the Government did not present this matter to the Court of Claims. I am glad the Senator is bringing it out. Of course, now the matter has gone too far for us to do anything about it; but it ought to be in the RECORD, to show how things are going on in this country—that these matters are not presented on behalf of the Government to the Court of Claims, and they bring up a judgment of this kind after it has been paid.

Mr. WALSH. That is just what I was going to show—that as a matter of fact the Department of Justice declined to present the matter to the Court of Claims, and entered into a stipulation with the attorneys for the claimant as follows. I read now from the record of this case in the Court of Claims:

The total sum remaining unpaid under the foregoing contracts and purchase orders is $349,995.32, and claims therefor were found by the Auditor for the War Department or by the Comptroller General of the United States to be correctly stated and properly supported by vouchers and other necessary evidence, but were disallowed by the said accounting officers for the reason that the plaintiff was alleged to be indebted to the United States on account of an overpayment of $350,000 by Montgomery T. Legg, captain Quartermaster Corps, in June, 1920, on award No. 5003 of the War Department Claims Board, dated January 30, 1920.

The defendant, on June 17, 1925, filed in this court notice of its intention to file a counterclaim.

On October 9, 1925, Jerome Michael, director war transaction section, Department of Justice, addressed a letter to Frank J. Hogan, Esq., Colorado Building, Washington, D. C., as follows:

"Re: C. Kenyon Co. (Inc.) v. United States, No. E-285.

"I beg to advise you that this department has determined to file no counterclaim in the above action based upon the Dent Act award made to the above company in connection with contract No. 1514 for the manufacture of raincoats.

"You will please understand that this decision is confined entirely to that contract and to the award based thereon."

By stipulation of the parties filed November 4, 1925, in accordance with which these findings are made, the United States withdrew the aforesaid notice of its intention to file a counterclaim, and no counterclaim has been filed.

Mr. OVERMAN. Mr. President, does the Senator know who represented the Government in this matter?

Mr. WALSH. The Government was represented by Jerome Michael, director of the war transaction section of the Department of Justice.

Mr. OVERMAN. Is he an attorney?

Mr. WALSH. I assume so.

Mr. OVERMAN. Frank J. Hogan is the claimant's attorney, as I understand. He is an attorney here in Washington?

Mr. WALSH. Yes. So at the present time, Mr. President, we have no information at all as to whether there was or was not a good foundation for that counterclaim which the War Department insisted was a valid one against this company and ought to have been credited against its claim.

I simply want to say that at least we ought to have some explanation of why the claim asserted to be a valid claim by the War Department was not submitted to the court for adjudication in connection with this transaction.

Mr. ASHURST. Mr. President, at this juncture I ask unanimous consent to introduce a bill and have it read.

The VICE PRESIDENT. Without objection, the bill will be received and read.

The bill (S. 3282) to amend the act of February 26, 1925 (chapter 343 of the Statutes of the Sixty-eighth Congress), authorizing the construction of a bridge across the Colorado River near Lee Ferry, Ariz., was read the first time by its title and the second time at length, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, not to exceed the sum of $100,000, to be expended under the direction of the Secretary of the Interior for the construction of a bridge and approaches thereto across the Colorado River at a site about 6 miles below Lee Ferry, Ariz., to be available until expended: *Provided*, That no part of the appropriation herein authorized shall be expended until the Secretary of the Interior shall have obtained from the proper authorities of the State of Arizona satisfactory guaranties of payment by said State of one-half of the cost of said bridge, and that the proper authorities of said State assume full responsibility for and will at all times maintain and repair said bridge and approaches thereto.

SEC. 2. No part of the sum authorized to be appropriated under this act, or which may have been appropriated under the said act which is hereby amended, shall in any way become a charge reimbursable to the United States from the funds of the Navajo Indians or from any other tribe of Indians.

The VICE PRESIDENT. The bill will be referred to the Committee on Indian Affairs.

Mr. WALSH. Mr. President, I venture to suggest to the chairman of the Committee on Appropriations that it would not be inappropriate to request the Department of Justice at least to send to the committee a statement of the reasons impelling them to withdraw the counterclaim asserted by the War Department to be a valid claim against this company.

Mr. WARREN. Mr. President, would the Senator mind addressing to me a note saying just what he would like to have me ask for? If he will do that, I will undertake to secure it.

Mr. President, I ask unanimous consent to withdraw my motion, and to make a motion that the Senate further insist upon its amendments and ask for a further conference with the House of Representatives upon the amendments of the Senate.

The VICE PRESIDENT. Is there objection to the withdrawal of the motion? The Chair hears none. The question is on the motion of the Senator from Wyoming that the Senate further insist upon its amendments numbered 27 and 28 and ask for a further conference with the House of Representatives on the amendments.

The motion was agreed to; and the Vice President appointed Mr. WARREN, Mr. CURTIS, and Mr. OVERMAN conferees on the part of the Senate at the further conference.

TAX REDUCTION—CONFERENCE REPORT

Mr. SMOOT. Mr. President, I ask that the conference report on H. R. 1, the revenue bill, be laid before the Senate at this time.

Mr. DILL. Mr. President, is it proposed to take up the conference report?

Mr. SMOOT. Yes.

Mr. DILL. I think there ought to be a quorum here if it is to be taken up at this time. I suggest the absence of a quorum.

Mr. SMOOT. Before the report is taken up?

Mr. DILL. I think there ought to be a quorum here before anything is done about it.

The VICE PRESIDENT. The Secretary will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Fletcher	Mayfield	Shipstead
Bayard	Frazier	Means	Shortridge
Bingham	Gerry	Metcalf	Simmons
Blease	Glass	Moses	Smith
Bratton	Goff	Neely	Smoot
Brookhart	Gooding	Norbeck	Stanfield
Broussard	Hale	Nye	Stephens
Bruce	Harreld	Oddie	Swanson
Butler	Harris	Overman	Trammell
Cameron	Harrison	Pepper	Tyson
Capper	Heflin	Phipps	Wadsworth
Couzens	Howell	Pine	Walsh
Cummins	Jones, Wash.	Pittman	Warren
Curtis	Kendrick	Ransdell	Watson
Dale	Keyes	Reed, Pa.	Weller
Dill	La Follette	Robinson, Ark.	Wheeler
Ernst	McKellar	Robinson, Ind.	Williams
Ferris	McKinley	Sackett	Willis
Fess	McNary	Sheppard	

Mr. JONES of Washington. I desire to announce that the senior Senator from Connecticut [Mr. MCLEAN] is unavoidably absent, and that the junior Senator from Illinois [Mr. DENEEN], and the senior Senator from California [Mr. JOHNSON] are detained from the Senate by illness.

Mr. PHIPPS. I desire to announce that the junior Senator from New York [Mr. COPELAND] is in attendance on a hearing before the Committee on Education and Labor.

Mr. LA FOLLETTE. The senior Senator from Nebraska [Mr. NORRIS] is detained at his home on account of illness. I ask that this announcement may stand for the day.

Mr. WHEELER. I desire to announce that the junior Senator from New Jersey [Mr. EDWARDS] is detained at home by illness.

Mr. HARRISON. The junior Senator from Utah [Mr. KING] is detained from the Senate on account of illness.

The VICE PRESIDENT. Seventy-five Senators having answered to their names, there is a quorum present.

The Senator from Utah asks unanimous consent for the immediate consideration of the conference report on the tax bill. Is there objection?

There being no objection, the Senate proceeded to consider the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1) to reduce and equalize taxation, to provide revenue, and for other purposes.

[For report, see House proceedings of Tuesday last, RECORD, page 4401.]

Mr. SMOOT. I desire to make a brief statement.

Mr. FLETCHER. I have no objection to taking the report up, but I want to submit some observations on it.

Mr. SMOOT. Certainly; the Senator will have that right.

Mr. WALSH. How much time does the Senator think will be occupied in the consideration of the report?

Mr. SMOOT. I myself will not take over 15 minutes; but I can not say who else desires to speak. One or two Senators have already told me that they have short speeches to make. I can not tell the Senator how long it will take.

Mr. WALSH. At 2 o'clock the unfinished business will automatically come before the Senate, and it is quite obvious the consideration of the conference report can not be concluded before that time. I realize that the conference report on the revenue bill, which the Senator is calling up, will have priority of consideration. I accordingly ask unanimous consent that at 2 o'clock the unfinished business be temporarily laid aside.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. SMOOT. Mr. President, I wish to make a brief statement on the action of the conferees on the revenue bill, H. R. 1.

There were 206 amendments to the bill as it went into conference, after action by the Senate. The House conferees agreed to 145 of those amendments; the Senate conferees receded on 19 of the amendments and the conferees of the Senate and the House agreed with amendments on 42 of the amendments so adopted by the Senate.

The bill as acted upon by the Senate carried a loss in revenue for the calendar year 1926 of $456,261,000.

As the bill is reported back to the Senate and as passed by the House, the loss in revenue for 1926 will be $387,811,000, or about $69,000,000 less than the amount under the bill as it passed the Senate, and about $60,000,000 more than under the bill as it first passed the House.

The reduction now contemplated is $35,000,000 in excess of that made by the bill as reported out of the Finance Committee, and although the reduction has been increased substantially the conferees are relying upon the expectation of continued prosperity for the country, being an assurance for the Treasury of an ample revenue to meet the Budget requirements and such necessary appropriations as the present Congress may approve.

Even though the margin of safety may have been slightly exceeded in the contemplated reduction, I am confident that the continued administration of the Government along lines of sound economy, together with the expected prosperity in business, will produce under the new law sufficient revenue to safeguard the proper conduct of the people's business.

An explanation of the action by the conferees is set forth in detail in the conference report which has been placed upon the desk of each Senator. I will not take the time to repeat what is contained therein.

The two main points of discussion in conference were the amount of the reduction in taxes and the action to be taken on the estate tax. With reference to both matters the conferees were obliged to agree in a spirit of compromise in order that this important legislation might be enacted into law within ample time to permit the public to file their returns and to fully benefit by the reduction.

In that spirit the Senate conferees were obliged to yield on the repeal of the automobile tax, the tax on admissions and dues, and the stamp tax on passage tickets, but were able to maintain many other of the Senate amendments. The conferees agreed to the repeal of the capital-stock tax and in substance approved the increase in the corporation tax, but the rate to be applied against 1925 income was fixed at 13 per cent instead of at 13½ per cent, the latter rate to be applied after 1925. The conferees also agreed on the exemption of admissions where the charge is 75 cents and under.

With reference to the estate tax, the wide difference in action by the two bodies of Congress, together with sharp insistence on the part of each group of conferees for the maintenance of the position taken by their respective bodies, made inevitable that no agreement could be reached except by way of a compromise. The final result of the continued discussion was, with reference to the future, to raise the exemption from $50,000 to $100,000, to adopt the rates stated in the House bill, to approve the 80 per cent credit for taxes paid to the States, and to make the rates of the 1921 law apply to the estates of decedents who died while the 1924 law was effective, with the application of the 25 per cent credit to such cases.

The recession by the Senate conferees is not as pronounced as, on first thought, it might appear to be. The repeal of the estate tax at this time would not have been effective, so far as a reduction in revenue is involved, for from four to five years. Though the repeal might have been immediate so that no tax would apply to the estates of decedents dying hereafter, the revenue collections would have continued for some years with reference to the estates of decedents who died prior to this time. That result is caused by the fact that the tax under the present law is not payable until one year after death, and that the law permits the spreading out of the payments over a period of about five years.

The estimates of receipts from the estate tax take those facts into account. For example, the estimates for the year 1926 are largely from estates where the decedent died in 1921 and 1922. So a repeal of that tax would not have affected the revenue to any marked extent for several years to come.

Notwithstanding that situation, the House conferees refused to agree to the repeal of the estate tax. Yet they supported the 80 per cent credit provision. It seemed to the Senate conferees that the only real difference of opinion between the two branches of Congress was the favoring of an 80 per cent credit as compared with a 100 per cent credit. In that situation the Senate conferees yielded upon obtaining the extension of the exemption to $100,000 and the continuation of the 1921 rates with a 25 per cent credit, through the period that the 1924 law was in operation.

The apparent effect of these provisions is to accomplish a full repeal as to all estates of less than $100,000, to greatly reduce the taxes on all estates of over $100,000, and with the application of the 80 per cent credit when utilized by the States, to bring the situation very close to a 100 per cent repeal of the law. So both branches of Congress achieved their point in controversy.

In 1924 there were 13,769 returns filed for estates, and of that number 6,452 represented gross estates of less than $100,000. The statistics are substantially the same for the year 1923. So it is apparent that the extension of the exemption to $100,000 will amount to a full repeal for at least half of the estates which annually come within the operation of the estate tax.

The surtax rates as adopted by the Senate were acceptable to the House conferees. I desire to place in the RECORD tables covering incomes up to $100,000 and showing the substantial reduction in taxes to be enjoyed by individuals under the new law, as compared with the taxes payable under the acts of 1918, 1921, and 1924 for like incomes. For the purposes of comparison, one table shows the taxes of a single person, the second table of a married person without dependents, and the third table a married person having two dependents. I ask that these tables be printed in the RECORD at the end of my remarks.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. SMOOT. A peculiar situation was met in the conference. Under all prior revenue measures the determination as to legislation has been along strictly party lines. Whichever party was in power was the one to bear the full responsibility for the measure which came out of conference. In this case the situation has been quite different. In not a single instance was any matter decided in the conference on a party basis. Each set of conferees met the other as a group in a nonpartisan undertaking; each was representing the views of its own branch of Congress. All concessions were as such groups and therein lies the full explanation for all of the recessions which the Senate conferees felt obliged to make.

I hope that the prompt action in the House will be repeated in the Senate, and that the conference report will be adopted.

The tables referred to by Mr. SMOOT are as follows:

Tax on specified incomes up to $100,000

(Married man without dependents, $20,000 earned income)

Income	Tax under act of 1918	Tax under act of 1921	Tax under act of 1924	Tax under act of 1926
$3,000	$60.00	$20.00	$7.50	(1)
$4,000	120.00	60.00	22.50	$5.63
$5,000	180.00	100.00	37.50	16.88
$6,000	250.00	160.00	52.50	28.13
$7,000	390.00	250.00	75.00	39.38
$8,000	530.00	340.00	105.00	56.25
$9,000	680.00	430.00	135.00	78.75
$10,000	830.00	520.00	165.00	101.25
$11,000	990.00	620.00	225.00	131.25
$12,000	1,150.00	720.00	295.00	168.75
$13,000	1,320.00	830.00	365.00	213.75
$14,000	1,490.00	940.00	435.00	258.75
$15,000	1,670.00	1,060.00	515.00	311.25
$16,000	1,850.00	1,180.00	595.00	363.75
$18,000	2,230.00	1,440.00	775.00	483.75
$20,000	2,630.00	1,720.00	975.00	618.75
$22,000	3,050.00	2,040.00	1,195.00	818.75
$24,000	3,490.00	2,380.00	1,435.00	1,038.75
$26,000	3,950.00	2,740.00	1,695.00	1,278.75
$28,000	4,430.00	3,120.00	1,975.00	1,518.75
$30,000	4,930.00	3,520.00	2,275.00	1,778.75
$32,000	5,450.00	3,940.00	2,595.00	2,038.75
$34,000	5,990.00	4,400.00	2,915.00	2,318.75
$36,000	6,550.00	4,860.00	3,255.00	2,598.75
$38,000	7,130.00	5,340.00	3,615.00	2,898.75
$40,000	7,730.00	5,840.00	3,995.00	3,198.75
$45,000	9,320.00	7,180.00	4,985.00	4,008.75
$50,000	11,030.00	8,640.00	6,095.00	4,878.75
$55,000	12,870.00	10,230.00	7,325.00	5,808.75
$60,000	14,830.00	11,940.00	8,635.00	6,798.75
$70,000	19,130.00	15,740.00	11,535.00	8,968.75
$80,000	23,930.00	20,040.00	14,835.00	11,258.75
$90,000	29,230.00	24,840.00	18,495.00	13,658.75
$100,000	35,030.00	30,140.00	22,575.00	16,058.75

(1) No tax.

Tax on specified net incomes of a married person with two dependents, earned income up to $20,000

Net income	Calendar year 1918			1921 rates			1924 rates			1926 rates		
	Normal	Surtax	Total tax	Normal	Surtax	Total tax	Normal	Surtax	Total tax	Normal	Surtax	Total tax
$3,000	$36.00		$36.00									
$4,000	96.00		96.00	$28.00		$28.00	$10.50		$10.50			
$5,000	156.00		156.00	68.00		68.00	25.50		25.50	$7.88		$7.88
$6,000	216.00	$10.00	226.00	128.00		128.00	40.50		40.50	19.13		19.13
$7,000	312.00	30.00	342.00	176.00	$10.00	186.00	55.50		55.50	30.38		30.38
$8,000	432.00	50.00	482.00	256.00	20.00	276.00	81.00		81.00	41.63		41.63
$9,000	552.00	80.00	632.00	336.00	30.00	366.00	111.00		111.00	60.75		60.25
$10,000	672.00	110.00	782.00	416.00	40.00	456.00	141.00		141.00	83.25		83.25
$11,000	792.00	150.00	942.00	496.00	60.00	556.00	181.00	$10.00	191.00	105.75	$7.50	113.25
$12,000	912.00	190.00	1,102.00	576.00	80.00	656.00	235.00	20.00	255.00	128.25	15.00	143.25
$13,000	1,032.00	240.00	1,272.00	656.00	110.00	766.00	295.00	30.00	325.00	161.25	22.50	183.75
$14,000	1,152.00	290.00	1,442.00	736.00	140.00	876.00	355.00	40.00	395.00	198.75	30.00	228.75
$15,000	1,272.00	350.00	1,622.00	816.00	180.00	996.00	415.00	60.00	475.00	236.25	45.00	281.25
$16,000	1,392.00	410.00	1,802.00	896.00	220.00	1,116.00	475.00	80.00	555.00	273.75	60.00	333.75
$18,000	1,632.00	550.00	2,182.00	1,056.00	320.00	1,376.00	595.00	140.00	735.00	348.75	105.00	453.75
$20,000	1,872.00	710.00	2,582.00	1,216.00	440.00	1,656.00	715.00	220.00	935.00	423.75	165.00	588.75
$22,000	2,112.00	890.00	3,002.00	1,376.00	600.00	1,976.00	835.00	320.00	1,155.00	523.75	265.00	788.75
$24,000	2,352.00	1,090.00	3,442.00	1,536.00	780.00	2,316.00	955.00	440.00	1,395.00	623.75	385.00	1,008.75
$26,000	2,592.00	1,310.00	3,902.00	1,696.00	980.00	2,676.00	1,075.00	580.00	1,655.00	723.75	525.00	1,248.75
$28,000	2,832.00	1,550.00	4,382.00	1,856.00	1,200.00	3,056.00	1,195.00	740.00	1,935.00	823.75	665.00	1,488.75
$30,000	3,072.00	1,810.00	4,882.00	2,016.00	1,440.00	3,456.00	1,315.00	920.00	2,235.00	923.75	825.00	1,748.75
$32,000	3,312.00	2,090.00	5,402.00	2,176.00	1,700.00	3,876.00	1,435.00	1,120.00	2,555.00	1,023.75	985.00	2,008.75
$34,000	3,552.00	2,390.00	5,942.00	2,336.00	2,000.00	4,336.00	1,555.00	1,320.00	2,875.00	1,123.75	1,165.00	2,288.75
$36,000	3,792.00	2,710.00	6,502.00	2,496.00	2,300.00	4,796.00	1,675.00	1,540.00	3,215.00	1,223.75	1,345.00	2,568.75
$38,000	4,032.00	3,050.00	7,082.00	2,656.00	2,600.00	5,256.00	1,795.00	1,780.00	3,575.00	1,323.75	1,545.00	2,868.75
$40,000	4,272.00	3,410.00	7,682.00	2,816.00	2,960.00	5,776.00	1,915.00	2,040.00	3,955.00	1,423.75	1,745.00	3,168.75
$45,000	4,872.00	4,400.00	9,272.00	3,216.00	3,900.00	7,116.00	2,215.00	2,780.00	4,945.00	1,673.75	2,305.00	3,978.75
$50,000	5,472.00	5,510.00	10,982.00	3,616.00	4,960.00	8,576.00	2,515.00	3,540.00	6,055.00	1,923.75	2,925.00	4,848.75
$55,000	6,072.00	6,750.00	12,822.00	4,016.00	6,150.00	10,166.00	2,815.00	4,470.00	7,285.00	2,173.75	3,605.00	5,778.75
$60,000	6,672.00	8,110.00	14,782.00	4,416.00	7,460.00	11,876.00	3,115.00	5,480.00	8,595.00	2,423.75	4,345.00	6,768.75
$70,000	7,872.00	11,210.00	19,082.00	5,216.00	10,460.00	15,676.00	3,715.00	7,780.00	11,495.00	2,923.75	6,005.00	8,928.75
$80,000	9,072.00	14,810.00	23,882.00	6,016.00	13,960.00	19,976.00	4,315.00	10,480.00	14,795.00	3,423.75	7,805.00	11,228.75
$90,000	10,272.00	18,910.00	29,182.00	6,816.00	17,960.00	24,776.00	4,915.00	13,540.00	18,455.00	3,923.75	9,705.00	13,628.75
$100,000	11,472.00	23,510.00	34,982.00	7,616.00	22,460.00	30,076.00	5,515.00	17,020.00	22,535.00	4,423.75	11,605.00	16,028.75

Tax on specified net incomes; single person; earned net income up to $20,000

Net income	1918 rates			1921 rates			1924 rates			1926 rates		
	Normal	Surtax	Total	Normal	Surtax	Total	Normal	Surtax	Total	Normal	Surtax	Total
$3,000	$120.00		$120.00	$80.00		$80.00	$22.50		$22.50	$16.88		$16.88
$4,000	180.00		180.00	120.00		120.00	37.50		37.50	28.13		28.13
$5,000	240.00		240.00	160.00		160.00	52.50		52.50	39.38		39.38
$6,000	360.00	$10.00	370.00	240.00		240.00	75.00		75.00	56.25		56.25
$7,000	480.00	30.00	510.00	320.00	$10.00	330.00	105.00		105.00	78.75		78.75
$8,000	600.00	50.00	650.00	400.00	20.00	420.00	135.00		135.00	101.25		101.25
$9,000	720.00	80.00	800.00	480.00	30.00	510.00	165.00		165.00	123.75		123.75
$10,000	840.00	110.00	950.00	560.00	40.00	600.00	202.50		202.50	153.75		153.75
$11,000	960.00	150.00	1,110.00	640.00	60.00	700.00	262.50	$10.00	272.50	191.25	$7.50	198.75
$12,000	1,080.00	190.00	1,270.00	720.00	80.00	800.00	322.50	20.00	342.50	228.75	15.00	243.75
$13,000	1,200.00	240.00	1,440.00	800.00	110.00	910.00	382.50	30.00	412.50	266.25	22.50	288.75
$14,000	1,320.00	290.00	1,610.00	880.00	140.00	1,020.00	442.50	40.00	482.50	303.75	30.00	333.75
$15,000	1,440.00	350.00	1,790.00	960.00	180.00	1,140.00	502.50	60.00	562.50	341.25	45.00	386.25
$16,000	1,560.00	410.00	1,970.00	1,040.00	220.00	1,260.00	562.50	80.00	642.50	378.75	60.00	438.75
$18,000	1,800.00	550.00	2,350.00	1,200.00	320.00	1,520.00	682.50	140.00	822.50	453.75	105.00	558.75
$20,000	2,040.00	710.00	2,750.00	1,360.00	440.00	1,800.00	802.50	220.00	1,022.50	528.75	165.00	693.75
$22,000	2,280.00	890.00	3,170.00	1,520.00	600.00	2,120.00	922.50	320.00	1,242.50	628.75	265.00	893.75
$24,000	2,520.00	1,090.00	3,610.00	1,680.00	780.00	2,460.00	1,042.50	440.00	1,482.50	728.75	385.00	1,113.75
$26,000	2,760.00	1,310.00	4,070.00	1,840.00	980.00	2,820.00	1,162.50	580.00	1,742.50	828.75	525.00	1,353.75
$28,000	3,000.00	1,550.00	4,550.00	2,000.00	1,200.00	3,200.00	1,282.50	740.00	2,022.50	928.75	665.00	1,593.75
$30,000	3,240.00	1,810.00	5,050.00	2,160.00	1,440.00	3,600.00	1,402.50	920.00	2,322.50	1,028.75	825.00	1,853.75
$32,000	3,480.00	2,090.00	5,570.00	2,320.00	1,700.00	4,020.00	1,522.50	1,120.00	2,642.50	1,128.75	985.00	2,113.75
$34,000	3,720.00	2,390.00	6,110.00	2,480.00	2,000.00	4,480.00	1,642.50	1,320.00	2,962.50	1,228.75	1,165.00	2,393.75
$36,000	3,960.00	2,710.00	6,670.00	2,640.00	2,300.00	4,940.00	1,762.50	1,540.00	3,302.50	1,328.75	1,345.00	2,673.75
$38,000	4,200.00	3,050.00	7,250.00	2,800.00	2,620.00	5,420.00	1,882.50	1,780.00	3,662.50	1,428.75	1,545.00	2,973.75
$40,000	4,440.00	3,410.00	7,850.00	2,960.00	2,960.00	5,920.00	2,002.50	2,040.00	4,042.50	1,528.75	1,745.00	3,273.75
$45,000	5,040.00	4,400.00	9,440.00	3,360.00	3,900.00	7,260.00	2,302.50	2,730.00	5,032.50	1,778.75	2,305.00	4,083.75
$50,000	5,640.00	5,510.00	11,150.00	3,760.00	4,960.00	8,720.00	2,602.50	3,540.00	6,142.50	2,028.75	2,925.00	4,953.75
$55,000	6,240.00	6,750.00	12,990.00	4,160.00	6,150.00	10,310.00	2,902.50	4,470.00	7,372.50	2,278.75	3,605.00	5,883.75
$60,000	6,840.00	8,110.00	14,950.00	4,560.00	7,460.00	12,020.00	3,202.50	5,480.00	8,682.50	2,528.75	4,345.00	6,873.75
$70,000	8,040.00	11,210.00	19,250.00	5,360.00	10,460.00	15,820.00	3,802.50	7,780.00	11,582.50	3,028.75	6,005.00	9,033.75
$80,000	9,240.00	14,810.00	24,050.00	6,160.00	13,960.00	20,120.00	4,402.50	10,480.00	14,882.50	3,528.75	7,805.00	11,333.75
$90,000	10,440.00	18,910.00	29,350.00	6,960.00	17,960.00	24,920.00	5,002.50	13,540.00	18,542.50	4,028.75	9,705.00	13,733.75
$100,000	11,640.00	23,510.00	35,150.00	7,760.00	22,460.00	30,220.00	5,602.50	17,020.00	22,622.50	4,528.75	11,605.00	16,133.75

Mr. DILL. Mr. President, I want to ask the Senator how much will be lost to the Treasury during the coming year by the provision that is agreed to with reference to the retroactive part of the estate tax?

Mr. SMOOT. As to the whole estate tax as we have now agreed upon it, there would be a loss of $15,000,000 for the coming year.

Mr. DILL. For the retroactive feature——

Mr. SMOOT. That is under the law to-day, I will say to the Senator. The 1924 act has the 25 per cent retroactive feature in it, or, I should say, the 25 per cent reduction that is allowed to the States.

Mr. DILL. The present bill does not add anything to the 1924 law in that respect? It raises it to 80 per cent?

Mr. SMOOT. Not as to 1924. The 80 per cent applies hereafter.

Mr. DILL. But it is not retroactive?

Mr. SMOOT. No; it is not retroactive.

Mr. DILL. Then the provision of the Senate in that respect——

Mr. SMOOT. The provision of the Senate as to estate taxes is exactly the same as the House provision with the exception that we struck out the $50,000 exemption and increased it to $100,000. The 80 per cent provision remains just as the House had it, and the rate is just as the House had it.

Mr. DILL. So the retroactive provision of the bill as reported by the Senate Finance Committee was not agreed to by the House?

Mr. SMOOT. We had no retroactive feature in the Senate in the pending measure. The retroactive feature only applied to the act of 1924.

Mr. REED of Pennsylvania. Mr. President, may I interject a remark?

Mr. DILL. Certainly.

Mr. REED of Pennsylvania. What we did was to carry the 1921 rate down to the date of the enactment of the revenue law of 1926.

Mr. DILL. So that, in effect, it is retroactive, so far as that law is concerned.

Mr. REED of Pennsylvania. To the extent of those deaths which have occurred from the time of the enactment of the 1924 law down to the time of the enactment of the present law. There is a reduction in rates there.

Mr. DILL. Does the Senator know what loss there will be to the Treasury as a result of that provision?

Mr. REED of Pennsylvania. In the present fiscal year it will cost the Treasury something more than $10,000,000, probably, and less than $15,000,000. The exact amount is very difficult to estimate.

Mr. SMOOT. I think the whole amount will be $15,000,000.

Mr. FLETCHER. Mr. President, we can perhaps get some light on the subject by reference to the CONGRESSIONAL RECORD relating to yesterday's discussion in the House. One Member of Congress said, at page 4426 of yesterday's RECORD:

> I regret, however, that the conferees felt compelled to yield to the Senate provision, which calls for a retroactive estate-tax reduction. This provision—

This bears on the subject that the Senator from Washington [Mr. DILL] raised.

> This provision, yielding back as it does some $85,000,000 of revenue, is so unprecedented in principle and so lacking in legislative fairness as to warrant a motion to recommit, which I hope later to make and to ask for your support.

That estimate of $85,000,000 stated by Mr. NEWTON, the Member of the House just quoted, was somewhat modified in the further discussion in the House, as will be shown on page 4428 in a statement by Mr. CHINDBLOM, who said:

> I do not know just how much will be paid back. The gentleman from Minnesota said that the total loss in revenue would be $85,000,000. Mr. McCoy, the Actuary of the Treasury Department, as I recall it, said that the total loss would probably be $68,000,000.

Mr. SMOOT. That is for the entire five years.

Mr. DILL. That is why I was distinguishing as to next year only.

Mr. FLETCHER. With further reference to that feature of the bill, I regret to see that the Senate conferees yielded in respect to the estate-tax provision in the bill. It seems to me they yielded a very important and vital principle, and that they should have insisted upon the Senate action with respect to the estate tax.

Mr. SMOOT. I want to say to the Senator that the conferees on the part of the Senate did insist upon it until—I do not know that I am betraying any confidence, for I have noticed that some one reported the circumstance to the press—the House conferees left the room. This was the ultimatum to the Senate conferees: "Unless that provision goes in, there shall be no bill," in just so many words.

Mr. FLETCHER. I desire to comment a little on that. That is an extraordinary attitude, it seems to me, to be taken. It may be justified under some circumstances, but if we consider what has been stated in connection with this matter from the beginning, the debates on the subject and the newspaper reports, it would look as if there was a good deal of bluff about the proceeding, if I may use that term.

Mr. SIMMONS. Mr. President——

The VICE PRESIDENT. Does the Senator from Florida yield to the Senator from North Carolina?

Mr. FLETCHER. I will yield in just a moment. There is some indication of a threatened "walkout" or "lockout" or "strike" of some kind, almost violent and little short of bloodshed, which has all the appearance to one on the outside of being camouflage, and, the circumstances considered, pretense very largely.

I yield now to the Senator from North Carolina.

Mr. SIMMONS. The question of the estate tax from the very beginning of our conferences assumed paramount importance, the House conferees asserting in the beginning that it was absolutely necessary that the provision be retained. All through the five days that we were engaged in conference that point would constantly bob up. I thought at one time, like the Senator from Florida now expresses himself, that possibly there was some element of bluff in it. I am not a good poker player, having played it only once in my life, but I have seen a good deal of bluff in my life and I set my ingenuity to work to find out whether this was bluff or whether it was a fixed and immutable position. I became satisfied that it was impossible for us ever to come to an agreement unless we conceded that proposition to the House. I became satisfied that they would concede almost anything to get that provision. Indeed, one of the conferees on the part of the House stated that he would rather have no tax bill at all than to have that provision stricken out.

I think it was the opinion of every one of the conferees on the part of the Senate that it was absolutely necessary that we should yield, and so we did. But I think that in yielding on that point we accomplished a wonderful thing for the taxpayers of the country. Mr. GARNER of Texas accomplished a wonderful thing for them in connection with the income tax. He increased the exemption on incomes from $1,000 to $1,500 for single persons and from $2,500 to $3,500 for every married person, and thereby he released 2,500,000 people in the country from all income taxes. So, by securing a thing which was very reluctantly yielded by the House, an amendment raising the estate exemption from $50,000 to $100,000 we released 6,000 estates out of 13,000 that usually report for estate taxation. I thought when we were compelled to make the concession that we got a very fair consideration for it.

Mr. REED of Pennsylvania. Mr. President, will the Senator permit me to interject a word?

Mr. FLETCHER. Certainly.

Mr. REED of Pennsylvania. I think it is only fair to say that from my point of view the statements of the Senator from Utah [Mr. SMOOT] and the Senator from North Carolina [Mr. SIMMONS] are away within the facts. Even the House conferees, who themselves evidently favored the repeal of the estate tax, told us over and over again that we would wreck the bill if we stood out for what we believed and what they believed was the right thing. They told us it was perfectly hopeless to accomplish a complete repeal. Everyone of us, Democrat and Republican, believed in it, and we on the Senate side worked for a complete repeal. We would have had no tax bill, I assure the Senator, if we had stood out for that point. As opposed to our yielding on that point, we exacted surrender all along the line and have accomplished what is tantamount to a repeal of the tax on nearly half the number of estates left by those who die each year.

Mr. SIMMONS. I might add to what the Senator has said that every suggestion that perhaps the House might repent if they would take it back and ask for consideration upon the proposition, representing to the House the seriousness of the situation, was met by an assurance on the part of the House conferees that there was absolutely no possibility of bringing about any change in the attitude of the House with respect to this matter.

Mr. FLETCHER. Mr. President, with reference to what the Senate conferees accomplished, perhaps the statement made by the chairman of the committee in the House, appearing in the CONGRESSIONAL RECORD at page 4421, might have some bearing:

> Mr. GREEN of Iowa. Mr. Speaker, in taking up the Senate bill with the conferees of the Senate we found, what probably every gentleman in the House knows, that never was there so much difference between the House and the Senate revenue bills as in this particular case, and in my 15 years' experience in Congress never has the Senate conceded as much as it yielded in agreeing to this settlement which we now present to you. The principal point of controversy, and the one on which there hinged the possibility that there might be no agreement whatever upon the bill, was the estate tax. The Senate capitulated entirely upon the estate tax, and with a minor amendment, which affects it in an insignificant manner, has yielded upon that questio...

A little further on he said:

> We agreed also to the small changes which were made by the Senate in the surtax rates from $24,000 up to $70,000. In short, Mr. Speaker, the conferees of the House come back here with every principle of the bill as it was passed by the House intact. [Applause.] Every tax that was in the bill before is in the bill now, with the single exception of the capital-stock tax, which by agreement was shifted over to the profits tax on corporations in order that the corporations might make only one return, and to save the difficulty there was in assessing the capital-stock tax.

Every tax that was in the bill originally is in it now; every principle that was in the bill originally is in it now; and, in effect, the House has conceded nothing.

Mr. SIMMONS. Mr. President——

Mr. REED of Pennsylvania. Mr. President, will the Senator from Florida yield for a question?

The PRESIDING OFFICER (Mr. GOFF in the chair). Does the Senator from Florida yield to the Senator from North Carolina?

Mr. FLETCHER. I will yield to either one of the Senators.

Mr. SIMMONS. I will defer to the Senator from Pennsylvania.

Mr. REED of Pennsylvania. Mr. President, I would merely like to ask the Senator from Florida whether he prefers to trust the generalities of the chairman of the House conferees, each of which seems to have been followed by applause in the other House, or whether he prefers to trust the evidence of his own eyes in the conference report, which shows that the Senate yielded on just 19 amendments out of 209?

Mr. FLETCHER. I understand that, but the claim is that the amendments on which the House of Representatives yielded were unimportant administrative amendments and did not signify much. At any rate, the Senate, it seems, has yielded the principle involved in the estate-tax matter, and that was the repeal of the estate tax entirely. The 80 per cent repeal applies to some States, but it does not apply to a good many other States. It does not apply at all to three States. If the conferees had made it 100 per cent repeal, that would have been quite a different thing as to those States, but to make, as the Senator from Utah [Mr. SMOOT] has said, in effect, an 80 per cent repeal does not take away from it that lack of uniformity which the Constitution condemns. I think the conferees surrendered a great principle when they agreed to the provision for imposing the tax and then allowing a credit of 80 per cent of the tax where inheritance taxes are paid to the State. This provision vitiates, makes invalid the whole title. It destroys the uniformity which the Constitution requires in all excise taxes.

In addition to that, however, there is another thing somewhat involved here. We might as well be frank about it. I do not mean to criticize the Senate conferees or to criticize anybody, except in so far as the facts may bear upon their action, but the gentlemen who know what goes on here from time to time and what goes on outside this Chamber, the shrewd, intelligent, capable, far-seeing correspondents, who keep their hands on the pulse of the people generally and keep contact with the thought of public men, seem to be well advised from time to time. They give us a few points that it is worth while for us to think of. I hold in my hand an article by Mr. Mark Sullivan, which is dated January 31—mind you, January—and appeared in the Miami Herald, and I have no doubt in a great many other newspapers. Mr. Sullivan states:

> The outstanding controversy about the bill is not between Republicans and Democrats as such, but rather between the House and the Senate over the retention of the estate tax. As to that, the probability of the House winning and of the estate tax being retained grows greater. Some of those who in the beginning assented to a nonpartisan basis for this year's tax bill, and whose assent was essential, now say that the retention of the estate tax was a fundamental start of the original compromise, and that by implication at least the Senate leaders and the administration, as well as the House leaders, were parties to that early understanding. Since a disturbance of the compromise now might imperil the bill, and would certainly make future continuation of the spirit of compromise impossible, the advantage in the controversy is on the side of those House leaders who in the beginning compromised and made a nonpartisan bill possible. This consideration will have weight.
>
> As respects nonpartisan cooperation on the tax bill and otherwise, there is evidence that President Coolidge prizes it, regards himself and the country as a beneficiary of it.

In other words, away back in January, before the Senate took this bill up for consideration at all, we are informed in this newspaper article that the leaders both in the House of Representatives and in the Senate had agreed on the retention of the estate-tax provision in the bill as the House wrote it. All the circumstances since then seem to indicate that Mr. Sullivan was quite well informed on that subject; and that raises a question which it is important to consider. Are we here in the hands of leaders in the Senate and leaders in the House of Representatives? Is it possible that five men in the other body, and a majority of those five, and five men in this body, and a majority of those five, will dictate hereafter the legislation of the Congress?

Mr. SMOOT. Mr. President, will the Senator from Florida yield to me?

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Utah?

Mr. FLETCHER. I do.

Mr. SMOOT. I do not know to whom Mark Sullivan was referring in the article which has been read by the Senator from Florida as leaders, but I do know that, so far as the chairman of the Committee on Finance of the Senate is concerned, there was not a single, solitary Representative who ever approached me as to any kind of an agreement whatever. Not a single, solitary Representative ever spoke to me about the estate tax or any rate or provision in the bill.

Mr. FLETCHER. Mr. President, I accept the statement of the Senator from Utah as being entirely true, but I confess to feeling that it is a subject of real importance whether we here in the Senate, who have been spending our time, week after week, debating the tax bill and offering amendments to it and securing an overwhelming majority of the votes in the Senate in favor of those amendments, have simply been engaged in a futile task that amounted to nothing. We might just as well have sent the bill back to the other House without any amendments, or we might just as well have adopted any kind of an amendment to the bill here, no attention being paid to our action by the leaders on the other side. We are engaged in a work of supererogation that amounts only to a waste of time and deliberation.

Mr. DILL. Mr. President——

Mr. FLETCHER. I yield to the Senator from Washington.

Mr. DILL. The Senator from Florida will recall that the item in the bill for which the Senate voted probably by the greatest majority of all, namely, the elimination of the automobile tax, does not seem to have caused any fight at all on the part of the Senate leaders in an effort to retain the Senate amendment. By an overwhelming vote the Senate was in favor of abolishing the automobile tax, but we have no report of any kind that any fight was made by our leaders to retain the Senate amendment.

Mr. FLETCHER. I am not so clear that it was worth while for the Senate to have adopted any amendments. The whole matter away back in January seems to have been fixed among the leaders. I am not so clear that the Members of the House have had anything to do with this bill. It looks as if the leaders over there and the leaders here have written this bill, if Mr. Sullivan is at all justified in his remarks. In this case coming events had cast their shadows before them.

Mr. NEELY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from West Virginia?

Mr. FLETCHER. I yield to the Senator.

Mr. NEELY. Mr. President, may I say to the Senator from Washington for his consolation, that I purpose to give the Senate another opportunity to vote on the question of abolishing the automobile tax? I am merely awaiting an appropriate time to offer a motion to recommit the bill to the committee on conference, with instructions to insist on the Senate amendment which relieved the owners of automobiles of the 3 per cent purchase-price tax.

Mr. DILL. The Senator ought to include in that motion the striking out of the retroactive provision that will take $85,000,000 out of the Treasury and give it back to the owners of large estates.

Mr. NEELY. I hope the Senator from Washington will make such a motion.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from North Carolina?

Mr. FLETCHER. I will yield to the Senator from North Carolina, and perhaps I will be able to go on with my speech after a while.

Mr. SIMMONS. Mr. President, I do not know to whom the Senator from Florida refers when he stated that it seemed that this bill had been made or agreed upon by the leaders before either House had acted upon it. Certainly he is not referring to the members of the Finance Committee of this body, and I presume he is not referring to the members of the Ways and Means Committee. He must be referring to somebody outside of the Chamber. If he is referring to members of the Finance Committee, either the minority members or the majority members, I think I can safely assure the Senator that there absolutely was no understanding between representatives of the Ways and Means Committee of the House and the Finance Committee of the Senate, either before the bill was passed upon by the committees or when the bill came before the two Houses. On the contrary, if the Senator will examine the RECORD, he will see that the attitude of the Senate with respect to this matter was different from that of the House upon practically every vital and major proposition in the bill.

I personally have never had any agreement with anybody in the House with respect to this bill, and I personally found myself in opposition to the members of the conference committee on the part of the House at practically every point with respect to the major features of the bill as it went to conference.

With respect to the automobile tax, Senators have no right to assume that we did not perform our duty toward the Senate, just as we did with respect to every other amendment adopted by the Senate. I know I took the position in consultation with

the Senate conferees that it was our solemn duty to make a fight and to stand firm so long as in our judgment there was any hope of accomplishing results with respect to every action taken by the Senate disagreeing with action taken by the House; and we did so. The major propositions—and the tax on automobiles was of that character—were thrashed out, and we advised ourselves with reference to the attitude of the House and found that they were unalterably opposed to the action of the Senate, and that they were going to insist upon the automobile tax for the reason, if for no other, as they maintained throughout, that without that tax it would be impossible to balance the reductions with the revenues of the Government. That was the very first question that arose upon the very threshold of the discussion.

Representative GREEN, chairman of the Ways and Means Committee, desired that the first thing we should decide was the question of how far we were going to increase the reductions, and to fix a deadline beyond which we could not go. The House conferees insisted that the Senate reductions far overstepped that deadline; that they overstepped it to the extent of $100,000,000, and they stated they would never concede any proposition that crossed the deadline determined upon. That was kept in mind by them throughout, and they would not consent to the small additional reductions that we made until they had advised with the Treasury Department and found that the revenues could stand such additional reductions.

The House conferees did, however, yield to us on new surtax rates in the middle brackets, saving the taxpayers an additional $23,000,000; they yielded to us when we increased the estate-tax exemption from $50,000 to $100,000, thus relieving of all Federal tax 6,432 small estates—nearly half of all taxable estates; they yielded to us, increasing the exemption under the admission and dues taxes from 50 cents to 75 cents—involving $9,000,000 additional reduction; they yielded on our retroactive estate-tax reduction, and the repeal of the capital-stock tax, and on many other more or less important amendments.

Mr. FLETCHER. Mr. President, I am not so clear myself as to who these leaders are. If I could point them out and put my finger on them, I would name them.

Mr. SIMMONS. Mr. President, if the Senator refers to anyone on the Finance Committee, let him name him.

Mr. FLETCHER. I should like to know who these leaders are, because hereafter when we have important measures pending I will not bother the Senate with them; I will not bother committees with them; I will go to these leaders and convince them, if I can. Let us try to locate these leaders, so we will know where to present our arguments and our proofs and our reasons for the legislation which we favor.

Mr. SMOOT. Mr. President, I suppose the only one who knows anything about who those leaders are is the author of that article, Mark Sullivan. Ask him who are the leaders.

Mr. FLETCHER. I am not fishing for alibis or anything of that kind. I am simply pointing out this situation. It is a matter of considerable importance, because I do not feel that we ought to waste our time with the consideration of matters here when we can go to the leaders and thrash them out. What is the use?

In reference to the estate tax, I will say for the Finance Committee, if I may be permitted to throw any bouquets at all, that I think they did splendid work, and I think they very greatly improved this bill. I should have been glad to have every one of their amendments adopted, and I wish they could have stood for them. They did splendid work. With reference to the estate tax, however, it seems to have been understood at least somewhere and somehow and in a powerful way that the estate tax was to continue and that the provisions of the House bill were to obtain. They did not in all respects remain precisely as the bill was originally written, but the principle is there.

The chairman of the committee has just said that the Government would not have lost any revenue if the estate tax had been repealed this year; not for four or five years would there have been any loss of revenue from that source. The argument made by those favoring a continuation of the estate tax is, "Why, these people who now oppose it originally voted for it." Grant it. We voted for a good many taxes in war times which we would not vote for to-day.

An estate tax never has been levied in this country except in war times or in great stress and emergency, and it never has been continued on the statute books for a longer period than eight years after that emergency passed.

I voted for the estate tax originally, I presume. Very likely I did. Many of us did. I doubt if there were many votes against it, because it was a war measure, never thought of in peace times and under normal conditions, never levied in this country under any other conditions except emergency conditions, and never continued when those conditions ceased to exist. That is the whole history of it. We are entirely consistent in having voted for the tax originally and voting now to strike it out. That is what we have done for 100 years in this country. We voted now to discontinue it.

The conferees have kept in not only the estate tax, but provisions in that tax which absolutely destroy it. The most vicious part of the whole thing was the 80 per cent credit. In my judgment the estate tax provision in the act of 1924 is unconstitutional because it provided for a 25 per cent credit. The question never has come before the courts, but when it does come there I am thoroughly convinced that the courts will do what Congress ought to have had the good sense and the judgment and courage to do. I never favored that 25 per cent provision in the act of 1924. I voted against it then, and it has been made a great deal worse by increasing the percentage to 80 per cent in the present bill. So that now we have the Government engaged in the business of levying a tax on estates and then crediting 80 per cent of that tax where the taxes are paid to the State in the shape of inheritance or succession taxes.

Mr. REED of Pennsylvania. Mr. President, will the Senator permit a question?

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Pennsylvania?

Mr. FLETCHER. I yield for that purpose.

Mr. REED of Pennsylvania. I think I remember that the Senator was one of those who voted in 1924 to raise this tax to 40 per cent. If that is so, how can the Senator consistently find fault with us because we have reduced it to 20 per cent?

Mr. FLETCHER. I am not finding fault with the reduction. I am finding fault with the continuance of the provision—which I never voted for in 1924 at all, which I denounced in 1924 as I am denouncing it to-day as unconstitutional—which provided for that 25 per cent credit, and that is the vicious part of the thing. I should not object to an estate tax so much if people really believe that war conditions are still obtaining and we have to raise revenue on a war basis.

I can find arguments for that, and I should not find any fault with them if they levied a straight estate tax, or, better still, an inheritance tax; but when they go to impose a tax and then in the same provision allow a credit of 80 per cent, which does not apply to some of the States at all, they destroy the uniformity required by the Constitution in excise-tax matters. In my judgment the whole title is unconstitutional, and the courts will so hold whenever the question is presented to them, and they will hold it largely because the purpose of this provision is not to raise revenue at all. Its purpose is outside of the accomplishment which must be contemplated under the taxing power of the Government. It is to promote, as they claim, uniform legislation throughout the country.

What business has Congress with dictating the legislation of the States? What right have we here to say to one State or another State or any State, "You must pass your laws according to our view in order to come within the provisions of this act"? Congress has no such authority. It is an effort to coerce the States; it is an effort to exercise a power which the Congress does not possess, and to force upon the States legislation which we think the States ought to enact. We have nothing to do with that question. Each State has the absolute power, the sole jurisdiction and authority, to impose upon its people whatever taxes it can or should within its own constitutional limitations, and the Federal Government has not a word to say on that subject. It has no authority to deal with it.

That is the effort of this law, the purpose of the provision—not to raise revenue. Although you are exercising the taxing power which Congress has to impose excise taxes, you are not after revenue at all. The fact is, you are giving up 80 per cent of what you propose to impose upon the estates, and that shows that you are not after raising revenue. It is very doubtful in my mind whether you will derive enough revenue, after all these provisions are made under this bill, to much more than cover the expenses of collection, because you keep in active operation all the divisions and departments and bureaus and branches and appeal boards and all that sort of thing dealing with these questions, and you have to pay that expense. Then, after you have assessed your tax, you propose to allow not a deduction merely but a credit on the amount of that tax to the extent of 80 per cent of it where inheritance taxes are paid in the States.

That, as I say, makes a law applicable to Georgia which is not applicable to Florida. The collector of internal revenue can stand on one foot in Georgia and collect $800 from an estate, and on the other foot in Florida he must collect $1,000 from an estate of the same assets. Alabama, Nevada, and

the District of Columbia, as well as Florida, do not impose any inheritance taxes at all, and consequently they are discriminated against by this provision.

The Constitution requires that all excise taxes shall be uniform throughout the country. Does it mean that we can impose, for instance, on products brought into this country an import duty of one rate in New York, and another rate in South Carolina? That can not be done under the Constitution. This kind of a tax rests upon the same principle as customs duties. It is an excise tax. It must be uniform throughout the country and as to every State. I say you have retained by this conference report a provision with reference to estate taxes which ought to have gone out as the Senate decided, even if the estate tax was retained, and if you retain it at all you should have stricken out of the provision paragraph (b), which provides for this credit of 80 per cent of the Federal tax when that amount is paid in the States under their inheritance tax laws.

I am sorry, but in these circumstances I can not favor the adoption of this report. I think the matter ought to go back for further consideration on this question alone. It is an important question, because it involves an important principle, a principle which we can not ignore. Any one who believes in the rights of the States, and who holds those rights sacred, it seems to me is obliged to find that there is usurpation and coercion and an unauthorized exercise of power here under the taxing power of the Federal Government.

I thing a great principle is involved; and for that reason, as I say, I must vote to reject this conference report, and let the matter go back to conference further, because it does seem as if we ought not here to confirm a preconceived notion that has been established somewhere else and that is maintained without a full and fair discussion of this subject.

I ask unanimous consent to have printed in the RECORD as a part of my remarks an article appearing in the New York Sun.

The PRESIDING OFFICER. Without objection, that order will be made.

The matter referred to is as follows:

[From the New York Sun]

REPEAL ESTATE TAX

The Senate, by a vote of 2 to 1, has made its decision to repeal the Federal estate tax. The vote was bipartisan, 18 Democrats joining 31 Republicans in favor of repeal and 16 Republicans joining 10 Democrats in opposition.

The Senate's action is logical. The feeling has grown in both parties that the right to levy death duties is one which belongs inherently to the States and which should be resorted to by the Federal Government only in the emergency of war. With the Federal Government's hands off, the various States would be in better position to arrive at their own policies in regard to inheritance taxes. These decisions would be governed by pecuniary needs and the feeling of the people.

It remains for the House of Representatives to finish the job by agreeing with the Senate. The House has already shown its lack of faith in the principle of Federal estate taxes, for its revenue bill reduces the maximum tax to 20 per cent and offers the taxpayer a credit of 80 per cent of the inheritance tax collected by the State.

The Federal tax is wrong from the standpoint of political theory. It is wrong from the standpoint of practical national finance. Let the Federal Government abandon estate duties until their imposition is made necessary by a crisis.

Mr. WILLIS. Mr. President, I can not indulge in the lugubrious prophecies and doleful fears which seem to affect the Senator from Florida. I am not so sure that this bill as it has been reported by the conferees is not a better bill than it was as it passed the Senate. I am rather inclined to think it is; and so far as I am concerned, I shall support the conference report. I think it would be a vast mistake to send the bill back to conference and to delay the enactment of this important legislation, in which the whole country is vitally interested. Therefore I shall support the conference report; but before I take that position I desire to point out what I regard as a very serious injustice that has been wrought by the conferees.

I think it is unprofitable to undertake to ascertain the attitude of various conferees. I think that is a useless performance. As other Senators may feel, I am dissatisfied with certain agreements which have been made by the conferees, but for one, I have no idea at all that somewhere in the offing, in the mists, there are some mysterious leaders who last January, or at some other time, shaped this bill. I can not understand any such fanciful notion as that.

To me it is perfectly apparent that this decision has been arrived at as conference reports must always be arrived at. The legislative body at the other end of the Capitol passed a bill by a very large majority, to the provisions of which the Members of the House were very much devoted. This body took up that bill and amended it in important particulars, upon lines which did not appeal to the Members of the House. Here, then, was a situation where there had to be compromise. I do not undertake to analyze and to appraise to see whether the Senate conferees or the House conferees have yielded the most. Indeed, I think it would be unprofitable to go into that. What I rose to say was that I do believe the bill is a good bill and worthy of support, and I shall therefore vote for the report, but not until I have called attention to what I regard as an injustice that has been wrought by the action of the conferees.

The Senate adopted amendment No. 29, at pages 70 and 71 of the bill. At the time the amendment was before the Senate, I spoke somewhat at length and do not care to occupy very much time now. What I said before is applicable to the question now pending.

I invite attention to the conference report, page 35. A certain statement is made with reference to amendment No. 29, which related to the subject of living revocable trusts. The conference report states:

The early practice of the Treasury Department permitted a grantor of a revocable trust to include the income and losses of the trust in his tax return.

That statement is absolutely accurate. I hold here a copy of the regulations issued by the Treasury Department, and I read a sentence or two from those regulations. Article 341, Regulations 45 Revised, promulgated by the Commissioner of Internal Revenue, is as follows:

The income of a revocable trust must be included in the gross income of the grantor.

It is not permissive, but it must be included.

Likewise, Treasury Decision 621, at page 202, provides:

The income of a revocable trust must be included in the gross income of the grantor.

In other words, this was the situation: In 1919 the department issued a regulation requiring that living revocable trusts be not considered in computing the amount of income tax; that is to say, whatever came from such a trust was to be counted in with the rest of the income of the individual, and, of course, under that decision capital losses could be deducted from the profits.

In 1923 the department changed its mind and issued a regulation providing that thereafter capital losses could be assessed only to the trustee. Of course the trustee had nothing at all, because in the case of a living revocable trust the profit went back to the donor or the grantor.

The injustice of the whole matter resides in this, that particularly in my State, in and about the great city of Cleveland, some four or five thousand people of moderate means, relying upon the Treasury regulation, had kept their property tied up in these living revocable trusts. If they had not so relied, they could have revoked the trusts, and therefore would have had the right under the law to deduct capital losses from their incomes. But they supposed that Uncle Sam was fair, and they relied therefore upon the regulations.

In 1923 the order was changed. When we passed the act of 1924 the Congress immediately saw the injustice that would be wrought and made provision therefor in the act, as we in effect do in this very bill which will soon be enacted into law. Yet simply because the Commissioner of Internal Revenue changed his mind between 1919 and 1923 it is proposed to go back to that period and penalize the people for doing exactly what the regulation told them to do and what the law said they might do.

Mr. President, it is unfair, it is unreasonable, it is unconscionable, and it is such actions as these that make the people dissatisfied with their Government.

I think this amendment should have been kept in the bill. I do not seek to pry into the affairs of the committee to find out who voted for it or who voted against it. I content myself by entering this protest, and saying that since I believe there is vastly more of good than of evil in the measure, I shall support the conference report, notwithstanding the unfairness involved in striking out this amendment.

Mr. SMOOT. Mr. President, I assure the Senator from Ohio that the House took the position in the case of all these retroactive provisions in the bill that wherever they took any money whatever from the Treasury of the United States they would not agree to them. There are two other amendments in exactly the same position. All three of those amendments went out. It was not because of the fact that the Senator's amendment as adopted by the Senate was thought unjust by

the committee. There was nothing of that kind. But the House conferees took the position which I have stated, and the amendment went out of the bill.

Mr. WILLIS. Will the Senator yield at this point?

Mr. SMOOT. Certainly.

Mr. WILLIS. I accept the Senator's statement, as I accept any statement from him, at its full value, because I have absolute confidence in his integrity as well as in his ability. If the House conferees refused to accept this because it was retroactive, upon what theory did the House conferees justify their action in accepting the provision for the reduction in the inheritance tax?

Mr. SMOOT. That would not take any money out of the Treasury.

Mr. WILLIS. It would do what is tantamount to that.

Mr. SMOOT. That is, money which had been paid in. That is the position they took. That is exactly what happened in regard to these retroactive features.

Mr. WILLIS. I do not question the Senator's statement at all.

Mr. DILL. I want to remind the Senator from Utah that the retroactive provision regarding the estate tax means refunds out of the Treasury.

Mr. SMOOT. It means that the money shall not go into the Treasury. I shall not argue that it would not mean a loss. I am simply stating the attitude taken by the conferees of the House.

Mr. DILL. The conferees did yield as far as the retroactive provision of the estate tax was concerned, so they did not stand like a stone wall on that provision.

I have been rather interested in the speeches made in the House yesterday by the House conferees, compared with the speeches made by the conferees of the Senate. The conferees of the respective Houses claimed that each House got the bill it wanted. The House conferees say that they got almost everything in the bill which they wanted, and the Senator from Utah says that the Senate got practically everything the Senate wanted. So far as I am concerned, I want somebody else to claim credit for this bill. I would not want to take credit for its final enactment.

The truth of the matter is that the House succeeded in keeping this bill in essentially the form in which it left the House, with the added provisions which the coalition in the Finance Committee of the Senate wanted. In other words, the House yielded on the increase in the surtaxes on incomes below $100,000. That was agreed to by the coalition of the members of the Finance Committee in the Senate.

Mr. REED of Pennsylvania. There was no change made by the Senate in the surtaxes on incomes of over $100,000.

Mr. DILL. I refer to incomes under $100,000.

Mr. REED of Pennsylvania. I did not catch the Senator's statement.

Mr. DILL. I said incomes under $100,000, which the Senator from North Carolina had fought for. The House yielded on that. I notice also that the Finance Committee's provision on the admission tax is carried out in the agreement. The coalition never agreed to the abolition of the automobile tax and the admission tax, but the Finance Committee did have some change in the admission tax, and I notice that the Finance Committee's provision on the admission tax is carried out in the conference report. So that, on the whole, the things which the coalition in the Senate agreed to they secured, with the exception of the abolition of the estate tax, which they tried so hard to get; and the things which the Senate really stood for were yielded by the Senate conferees.

Mr. SIMMONS. Mr. President, I think the Senator is getting a little mixed up. There never was any agreement between the majority and the minority of the Finance Committee that had any reference to admissions and dues.

Mr. DILL. I said that. The Senator misunderstood me. At least, I meant to say that. I said those things upon which the coalition of the Finance Committee agreed are retained in the conference report to a large extent, but the things which the Senate struck out of the bill, such as the admission tax and the automobile tax, were yielded by the Senate conferees, so that the coalition bill is practically what we have in the conference report, with the exception of the estate tax, and the Senator from Utah assures us we got most of that.

I want to call attention to the statement yesterday in the House about this retroactive provision of the estate tax. The truth of the matter is that most of the Members of the House and of the Senate really do not understand it, and they can not discuss it intelligently. I am sure I can not, and I think a majority can not. But yesterday Congressman NEWTON of Minnesota, in speaking about this, made an explanation which I think is worth reading.

Mr. REED of Pennsylvania. On what page is it?

Mr. DILL. On page 4427. He said:

> It is this provision which hands out refunds of cash or cancels obligations to the beneficiaries of these few great estates.

He has quoted some 15 or 20 estates.

> Gentlemen, who requested this? If you search the printed hearings of the Committee on Ways and Means you will find no answer. They are silent. You will find that many appeared there and advocated the reduction or repeal of this or that tax, but no one apparently had the temerity to appear at these public hearings and ask that the beneficiaries of these great estates be granted cash refunds aggregating $85,000,000. If you search the hearings of the Committee on Finance in the Senate you will find the pages equally silent. Yet the proposal was first put into the bill over at the other end of the Capitol.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from North Carolina?

Mr. DILL. I yield.

Mr. SIMMONS. Those statements are about on a par with some other statements which have been made in regard to this retroactive provision, and when the Senator has finished, if I can get the floor, I will undertake to explain that in full.

I do not know who made the statement just read by the Senator——

Mr. DILL. Congressman NEWTON of Minnesota.

Mr. SIMMONS. Evidently Congressman NEWTON knew nothing about the facts, if he said this retroactive provision had not been considered by the committee.

Mr. DILL. He did not say that. He said no witnesses appeared in public hearings who advocated it.

Mr. SIMMONS. Right there, if the Senator will permit me, I want to put in the RECORD the facts with reference to that matter. I do not know, of course, the number of witnesses who appeared before the Ways and Means Committee upon this question, but I do know the fact that the Ways and Means Committee considered the matter very thoroughly.

Mr. DILL. Does the Senator say that witnesses appeared asking for the retroactive feature?

Mr. SIMMONS. I do not know as to what witnesses appeared, but I say that the Ways and Means Committee considered this retroactive provision very thoroughly, and acted upon it.

Mr. DILL. In the House?

Mr. SIMMONS. In the House. The Ways and Means Committee acted upon it favorably, and wrote it into the bill as a complete proposition.

Then subsequently and before they reported it out they rescinded their action, but when they rescinded their action the chairman of the Ways and Means Committee [Mr. GREEN] saw fit to make a statement, which I understand was a written statement and which statement I would like very much to read to the Senate. That was after they had incorporated the retroactive provision in the bill. I do not suppose they incorporated it without due consideration, and I suppose they must have had made to them some representations of a character satisfactory to them.

Mr. DILL. But the Senator does not dispute the statement that no witnesses appeared, either before the House committee or the Senate committee, arguing for the change making the provision retroactive?

Mr. SIMMONS. I do not dispute the statement with reference to the Ways and Means Committee. I am merely stating the fact that they acted upon it, and I do not suppose they acted upon it without due deliberation. I do not know what the facts are.

Mr. DILL. The Senator has no quarrel with the statement of Mr. NEWTON, when he said nobody appeared in the public hearings to ask for the changes which were made first on the House side and then over here.

Mr. SIMMONS. My statement is simply that the Ways and Means Committee took final action with reference to the matter and agreed to incorporate the provision in the bill.

Mr. DILL. And then they rescinded their action.

Mr. SIMMONS. I am going to read from a statement by Chairman GREEN. It is an apology for striking it out. I do not know to whom he is apologizing, but that is what it appears to me to be. This is the statement:

> Prior to the introduction of the bill into the House the committee rescinded its action and its chairman issued a statement giving its reasons as follows:
>
> The committee, when it decided to apply the 1921 rates to the estates of those who had died between June 2, 1924, and the date when the new act takes effect, understood that the loss occasioned

by such provision would amount to $20,000,000. It now appears from an estimate based on estates of $450,000,000 returned under the 1924 revenue act, that the loss will aggregate approximately $70,000,000, assuming the bill becomes law March 1, 1926. The bulk of this loss will fall in the next two years. Moreover, the most recent estimate submitted by the Treasury actuary indicates that other proposed changes in the estate tax will occasion in the fiscal year 1927–1928 a loss of revenue of not less than $10,000,000 and a much larger amount the following year. This $10,000,000 added to the other reductions recommended by the committee will bring the total amount of reduction to within $2,000,000 of the surplus estimated by General Lord, and $28,000,000 in excess of the tax reduction recommended by the Secretary of the Treasury.

These figures make it very clear that the proposed relief to the estates falling under the provisions of the 1924 act would cause so great a loss of revenue as to exceed the limits of safety, unless the committee were prepared to revise the proposed bill in other respects. This the committee does not feel would be justified, and the retroactive tax proposition having been adopted under a misapprehension, the committee has decided to eliminate it.

I read that simply to show the grounds upon which they struck it out of the bill after having put it in. In other words, they found that the loss would be too great for the requirements of the Treasury.

Mr. DILL. The Senator said he did not know to whom Mr. GREEN was apologizing. Evidently he must have been apologizing to those who would have to pay the money and who, if the retroactive provision had remained, would not have had to pay it.

Mr. SIMMONS. I do not know how that would be.

Mr. DILL. I make that as a suggestion in reply to the Senator's comment. I think I shall continue reading the statement of Representative NEWTON of Minnesota, because the Senator from North Carolina has not disputed the statements here made:

Yet the proposal was first put into the bill over at the other end of the Capitol. Has the matter ever come up in the House for a determination on the merits? No. This is the first time it has ever been presented or proposed to this House, and it comes before us tied up with the conference report and at a time when practically everyone wants to see tax reduction accomplished, and that speedily.

Was it ever considered in the Senate? Only in a limited extent. The Senate amendment (No. 100) repealed the estate tax entirely. As a part of that amendment the Senate inserted this retroactive provision. The retroactive provision itself was never separately voted upon in that body. So that it can be said without fear of successful contradiction that this proposition has never been considered on the merits separately in either House of Congress. Yet it provides for turning back to the beneficiaries of these 25 or more large estates $85,000,000 in cash or obligations due the Treasury. If the Treasury does not need this money, I would rather see the reduction given in the form of a repeal of what is left of the admission and automobile taxes.

I read that because it expresses a thought I want to repeat. The automobile tax, the abolition of which the Senate voted by an overwhelming majority of 3 or 4 to 1, would take $69,000,000 out of the Treasury; yet rather than take off the sales taxes, the nuisance taxes, the conferees agreed to refund in effect to 25 big estates $85,000,000.

I saw this morning in a newspaper a statement that Mr. Coolidge has announced that he was proud of the record being made by Congress on the tax bill. I wonder how many representatives of the people will really be proud to go back home and say, "We left the automobile tax on you to the amount of $69,000,000 in order that we could relieve 25 big estates, running into millions of dollars, of $85,000,000 they would have had to pay." I wonder how many will be proud of that record? I am not so much concerned about the taxes on admissions and dues, although I think they ought to be abolished, but the automobile taxes bear directly upon the daily life of the people of the country. Not only did the conferees fail to secure the abolition of the automobile taxes, which was voted by a bigger majority than any other important change voted in the bill, but they did not even get a reduction of the 3 per cent when they might have secured at least a part of that reduction.

Mr. FLETCHER. Mr. President, may I ask the Senator a question?

Mr. DILL. Certainly.

Mr. FLETCHER. Does not the fact that in the same title and under the same provisions they not only gave up $85,000,000 or $68,000,000 or $70,000,000 but provided for a credit of 80 per cent, show that the whole title is not aimed at the purpose of raising revenue or supplying the needs of the Treasury?

Mr. DILL. I think that is true. Of course, the Senator from Florida and I disagree with reference to the desirability of the estate taxes, but we do agree upon the undesirability, and I think the unconstitutionality of refunding to the States a certain percentage of taxes levied by the Federal Government because of the different State laws.

Mr. FLETCHER. That is the main point.

Mr. DILL. I disagree with the Senator from Florida about the estate tax to this extent: He said it was a war tax. I think the Democrats voted solidly when the last two revenue bills were before the Senate, for the estate tax as an emergency measure for raising revenue to pay debts resulting from the war. I am in favor of a continuation of the provision because of the war debt that still hangs over us, because of the fact that we are spending $800,000,000 a year in paying interest on the war debt, and to create a sinking fund to eventually get rid of the war debt. I maintain it is an emergency expense that is upon us and that the great estates should continue to help bear it. But I agree with the Senator in his proposal that we shall not assume to say to a State, "You shall pass certain legislation or we will take more from the people of your State than we do from the people of another State." I think the courts will eventually decide that we have no such authority and no such power.

Mr. BRUCE. Mr. President, may I ask the Senator a question?

Mr. DILL. Certainly.

Mr. BRUCE. Does not the Senator think that some allowance ought to be made as a matter of justice to estates which have been acquired after the 1924 act and before the revenue act of 1926 shall go into effect? He knows, of course, the rate of taxation on estates under the act of 1921 was lower than under the act of 1924 and higher than it will be under the act of 1926. Does he think under those circumstances that the amount of estate tax should turn on the mere accident of some wealthy man having died between 1924 and 1926?

Mr. DILL. I must say in reply to that suggestion of the Senator from Maryland that if the death is to be called a mere accident the statute existing at the time of his death should control the taxes on his estate. That theory should apply, and an estate tax should not be laid merely because a certain man happened to die last year and did not die this year.

Mr. BRUCE. Not necessarily, when the disparity is so great, where the difference between the rate of taxation under the act of 1924 and under the proposed act of 1926 is so enormous. It looks a little more like punishing a man for dying at a particular time than taxing him.

Mr. DILL. I will say to the Senator that I recognize some justice in his position, but my position is that that is not as unjust and is not as unbearable to those who have millions of dollars in estates that are acquired as these estates are, as it is to continue the nuisance and sales taxes on the business of the country which so badly needs to be relieved of them at this time. If we had no war burdens I would say to the Senator then we at least ought to put the estate tax to a very low figure, or make the exemption very high, or abolish it altogether, but when the war burdens are still on us and emergency taxes must be levied, I know of no source from which it is so easy to collect and which is really such a light burden as the estate tax or, as I would prefer, the inheritance tax.

Mr. BRUCE. It is always easy to swat and choke the rich, but it is not so easy to vote a tax of $15,000,000 on automobiles; that is to say, to any man who has any regard for his political future.

Mr. DILL. I will say to the Senator that there are two sides to that sort of argument. Regardless of the popularity of the vote in either case, the other side is, who can best afford to pay the taxes, the automobiles which have taken the place of the buggy and wagon of a few years ago or the estates that have been left by those who are done with them and which have passed by operation of law to others?

Mr. BRUCE. There are thousands of automobiles in the country that are owned by the very richest individuals of the land.

Mr. DILL. And by the very poorest.

Mr. BRUCE. There was a time when we had a tax on vehicles of every description. The Senator perhaps will recollect that. Again, the automobile tax is to a tremendous extent, of course, imposed on vehicles of transportation which are engaged in business and which presumably are earning some profits for their owners. So it seems to me, if the question is to be gone into, some line of discrimination ought to be drawn between automobiles used for business purposes and automobiles used by these business magnates on whom the Senator from Washington is so anxious to bring the impact of taxation, and the remaining class of automobiles.

Mr. DILL. I want to take the tax off all automobiles. I do not want to classify them; I want to take the tax off all of them. I maintain that the estates that have been left, running up in the millions, can better afford to continue to bear this burden than can the automobiles, which are not now classified and which this tax bill does not classify. The tax on automobiles bears down on the business of the country.

Mr. BRUCE. Mr. President, may I ask the Senator from Washington one more question?

Mr. DILL. Yes.

Mr. BRUCE. Of course, the Senator is aware that certainly one or two of the individuals whose estates will get the benefit of this reduced tax gave enormous sums of money which are needed for the benefit of popular education and other public purposes?

Mr. DILL. Yes.

Mr. BRUCE. One of them—I believe, Mr. James B. Duke—gave out of his estate during his lifetime and after his death—if one may use such an expression—no less than $94,000,000.

Mr. DILL. I am familiar with that, and I am also familiar with the fact that a man by the name of Carnegie has built monuments all over the United States, which are called libraries, with his name on them, but he collected those millions by a system of monopoly in this country that almost threatened the life of many industries. I have no criticism of Mr. Duke for giving $94,000,000—I am glad when a man gets that much money to have him provide that after he has gone it will do great service to the community—but I am sure, having left that much money, those who received it without effort on their part can better afford to pay an estate tax than can the common masses of the people afford to pay taxes on the automobiles which they are using to carry on their business affairs.

The Senator from West Virginia [Mr. NEELY] stated that he was going to offer a proposal to recommit this bill with instructions to strike out the automobile tax. I hope that he will do that. I think, however, that, together with the proposition to recommit the bill, there should be coupled a further provision that the retroactive feature applying to the reduction of the estate tax shall be stricken out, so that the estates of those who may have died prior to the enactment of this bill shall pay the tax that was levied upon them by Congress in the last revenue act, and that whatever reduction may be made in the estate tax will go into effect only upon the enactment of the bill. Then we will not be guilty of going back and taking off the burdens of taxation that have already been levied upon great estates.

Mr. NEELY. Mr. President——

Mr. SIMMONS. Mr. President, before the Senator from West Virginia makes his motion to recommit I should like to make some observations. I suppose when the Senator makes his motion to recommit on account of the retroactive feature of the estate-tax reduction, he will also include a motion instructing the conferees not to recede from the amendment with reference to the estate tax. The two ought to go along together if the bill shall be recommitted.

Mr. President, I have listened with a great deal of pleasure to the Senator from Florida [Mr. FLETCHER]. His argument made to-day is very nearly a repetition of the argument which he made when the tax-reduction measure was before the Senate. Of course, we all know that both the Senators from Florida, indeed, the entire Florida delegation, are opposed to this or any other Federal estate tax. Their local situation makes it impossible for their State to secure any advantage from the 80 per cent reduction provided in the measure and will make it necessary for the citizens of Florida, whether the State imposes any inheritance tax at all—and it can not do so under its constitution—to pay the full 100 per cent tax levied by the Federal Government. It is perfectly right for the Senator from Florida to feel the way he does about it. So far as his argument against the estate tax imposed in the bill as it came from the other House, which the Senate conferees have in part agreed to, is concerned, and so far as his general attitude of opposition to the estate tax is concerned, I heartily concur with him. I think that the estate tax to which the Senate conferees have been compelled to agree in conference is an unscientific, illogical, and un-American proposition. I think, more than that, that it is an outrageous invasion of the rights of the States. I expect it will be speedily repealed, because it is so badly and unscientifically written that it will be found very difficult of administration.

I have never been opposed to estate taxation—it is a proper and fertile source of revenue, but I think the States undoubtedly have the right to keep that source of taxation exclusively for State revenues, and that except in emergency the Federal Government should keep out of it.

I am sure that the American people have been sold to the idea that if the House provision shall be adopted every State will get 80 per cent of all the taxes that the Federal Government levies against estates. As a matter of fact, Mr. President, that is not so. No taxpayer will get any benefit whatsoever from the 80 per cent credit provided unless he has paid a tax in his own State and also pays a tax to the Federal Government. Many of the estate taxes which are levied in the States where small exemptions are allowed press upon estates that will not be reached by the Federal inheritance tax at all, and those taxpayers will get no benefit from its provisions. It is only the large taxpayers of the States who are going to get this 80 per cent credit, and an estate will have to be of pretty large proportions to get any part of the credit allowed in the House bill.

However, it is not that that caused my opposition to this proposal; it is not that that caused me in conference to fight to the last ditch against it; I fought it because I think it is contrary to the genius and spirit of our institutions; because I believe if this kind of legislation shall prevail in this country, if this shall become a settled policy, if this precedent shall be again acted upon and carried down the line so as to include income taxes and gasoline taxes and other taxes of similar character, we shall soon reach the point where the rights of the States will be so materially interfered with and the coercion upon them will be of such a nature that the very foundation of our system of government will be undermined if not overthrown.

We have two separate sovereignties here in America, cooperating and coordinating, and so long as they continue to cooperate as provided in the Constitution there is no danger to the sovereignty of either, but when one of these sovereignties, by reason of its immense power, by reason of its supreme power under the Constitution within the limitations of its authority, grows sufficiently strong to establish a system that undermines the sovereignty of the other, then our Federal representative system will go to pieces.

It is for that reason—and that is my hope, my only hope in connection with this provision—it is for that reason, together with the inability practically to administer this plan so as to meet the requirements of credits for sums paid to the States and enable the people to get what they think they are going to get out of this act, that I believe there will be a revulsion against this measure in a very short time, and that it will not be long before Congress shall take action looking to its final repeal.

Mr. President, I did not rise for the purpose of discussing the inheritance tax. The Senate conferees had to agree to its retention; but I assure every Member of the Senate that we did so with the greatest reluctance. We did not do it except as a last resort. We knew the people of the United States were demanding the enactment of this bill; we knew that if we did not come to an agreement the people would lose the benefit of this legislation, at least upon the incomes of 1925, and rather than make a deadlock and say to the country, "We will not permit the passage of this measure to which the people are looking with such hope and expectation," we agreed to the retention of the estate-tax provision. We coupled it, however, with a provision that it should be retroactive, not to its fullest extent but partially, during the short life of the act of 1924, a little over a year. We said, "If you will give the widow and the orphans of the man who is dead, who died during the 1924 period, when the taxes on his estate reached 40 per cent, practically the same benefit in reduction that you propose to give to the estates of men who die hereafter, we will agree." It was the 1924 act with which we were dealing; the proposition to cut that high rate almost in half was what we were dealing with. On one side were ranged the estates of the people who died during the year 1924; on the other side of the line were the estates of the people who will hereafter die. We said, "If you are going to give the benefit of the 20 per cent reduction to the estates of the people who die hereafter, why should you not also give it to the estates of the people who died in 1924, when these very high rates that you are now cutting down for the benefit of people who will hereafter die were in operation?"

Mr. DILL. Mr. President, will the Senator from North Carolina yield to me?

Mr. SIMMONS. Yes.

Mr. DILL. On the same principle why should you not give the men who had to pay an income tax last year the same reduction that you are going to give them for the coming year?

Mr. SIMMONS. That is absolutely the thing that we did. I shall come to that in a few moments. We did absolutely the same thing upon income taxes that I am urging here should

have been done and was done, but not quite to the full extent on estate taxes.

It has been said that the tax for 1924 had already accrued. True, it has not yet been paid, but it has accrued to the Government, and is as much a part of the funds of the Treasury as if it had been paid. As the Senator from Nebraska [Mr. NORRIS] said the other day—

> You are running your hands into the Treasury and taking out $84,000,000 that have already accrued to the United States Government, and you are turning that over to the estates of the people who have died during the year 1924.

Mr. President, the very identical thing that is proposed here with reference to estate taxes is the thing that is proposed in this bill with reference to the income taxes of individual taxpayers in this country, to which nobody has objected—that and nothing more—except that we give the income-tax payer greater reduction than we do the estate-tax payer, and except that the income-tax payers of the United States have already had their taxes reduced three or four times since the war, and we are giving them 50 per cent maximum additional reduction, while in the case of the estate tax we started in the war with those rates at a maximum of 10 per cent, going then up to 20 per cent, then up to 25 per cent, and in 1924 up to 40 per cent.

Mr. DILL. Mr. President, the Senator does not mean that the taxes paid on the incomes of the year 1924 are going to be cut down at all, does he?

Mr. SIMMONS. What taxes is the Senator talking about?

Mr. DILL. You are not going to cut down the rate of income tax for the year 1924 as levied?

Mr. SIMMONS. I said 1925.

Mr. DILL. The Senator did not say "1924," but that was the implication from his remarks. He did not say "1924."

Mr. SIMMONS. I said the taxes of 1925.

Mr. DILL. This year's taxes, of course, are going to be cut down.

Mr. SIMMONS. Last year's, paid this year. That is the same thing that it is proposed to do with reference to the estate tax. You are going to reduce the estate tax 50 per cent from its present level, and you are going to give the benefit of that reduction to everybody who hereafter dies, but you would deny the benefit of that reduction to those estates whose owners died during the years 1924 and 1925——

Mr. DILL. We deny the cut in income taxes to the men who paid them in 1924, too.

Mr. SIMMONS. No, Mr. President; nobody has paid yet an income tax for 1925, and practically nobody has yet paid estate taxes for 1925; but the estate taxes for 1925 have accrued, and the income taxes for 1925 have accrued. They both stand upon the accrual basis. If you put your hands in the Treasury and drag out $85,000,000 because that estate tax has accrued and turn it over to the taxpayer in the case of estate taxation—that is what it amounts to when you grant this reduction—then I say to you that you do a much more extreme thing with reference to the income tax.

What are the facts about the income tax? We have reduced that tax from 65 per cent down to 40 per cent maximum in the present law. Now we propose to reduce it to 20 per cent maximum tax in this bill that has passed the Senate. Under the present law there has accrued to the Government a maximum tax of 40 per cent upon the incomes of the citizenship of this country made during the year 1925. The tax is due; it has accrued; it accrued under the present law, the law that we are amending here to-day. Not a cent of it has been paid yet. The only thing necessary is, when the returns for 1925 are made, to fix the amount that is due. Now, what do you propose to do with reference to incomes? You cut their tax in two, and you provide that that reduction shall be retroactive so as to include the income of every individual taxpayer in this country for 1925. And how much revenue do you lose by that retroactive provision with regard to the income tax? Eighty-five million dollars? No; you lose $213,000,000, and all in one year; and not a man who is now opposing this retroactive estate-tax provision made a protest against sticking our hands in the Treasury of the United States and drawing out $213,000,000 and making a present of it to the income-tax payers of 1925. You made no objection to that.

I will say to the Senator from Washington that if he can differentiate these two cases, the one from the other, he is a very smart man. They stand absolutely upon all fours in fact and in argument, except that the income-tax payer gets the advantage by reason of the fact that his tax has been reduced one-half, and the estate tax is reduced only 15 per cent.

Oh, but they say: "That is for the benefit of the big taxpayers"—these 25 great hoary-headed monsters of finance that the Senator from Washington has so beautifully and so picturesquely described here. Twenty-five great millionaires? No; let me say to the Senator that that estate tax at present reaches 13,000 taxpayers for the year 1925, and 6,000 of those 13,000 returned incomes of less than $50,000, and we relieve them, every one of them.

Mr. DILL. Mr. President, if the Senator will yield, I am not criticizing that.

Mr. SIMMONS. And then nearly 3,000 more returned incomes of between $100,000 and $150,000. They are not in this class. That bill, if the Senator pleases, is so drawn that it catches the millionaire, as it did not catch him in the Senate provision, and it left out the little man; and yet the Senator who is the champion of the little man stands up here and opposes it!

Mr. DILL. Mr. President, will the Senator yield now?

Mr. SIMMONS. Yes.

Mr. DILL. The Senator did me the credit to say that I talked about these great estates, but I did not.

Mr. SIMMONS. No; I did not say "the Senator from Washington"; I said "the Senator from Nebraska."

Mr. DILL. The Senator said "the Senator from Washington" when referring to these 25 great estates.

Mr. SIMMONS. Yes.

Mr. DILL. I did not do it; but since the Senator attributed it to me, I hope he will give me a moment while I do it.

The estate of Mr. Anderson, which is to go to his widow and orphans, is nearly $5,000,000.

The estate of Mr. Ayer is $9,500,000.

The estate of Mr. Begg is $40,000,000.

The state of Mr. Benjamin is $14,000,000.

The estate of Mr. Clark is $40,000,000.

And so they run, as high as $75,000,000 in the case of Mr. Duke, and $54,000,000 in the case of Mr. Palmer. Those are the estates as to which the Senator is so concerned about the widows and orphans.

Mr. SIMMONS. No; those are the estates that are still taxed.

Mr. DILL. You catch them by a retroactive provision that gives away $85,000,000.

Mr. SIMMONS. No; I was not talking about the retroactive provision then. I was talking about the estate tax which the Senator championed. These big millionaires are both in the estate-tax schedules, and they are also in the income-tax schedules. They are a little bit more heavily in the income-tax schedules than they are in the estate-tax schedules. They pay twice the amount of tax upon their annual incomes that they pay in lump sum upon their estates. What this retroactive provision does is to relieve their estates, together with the estates of the lower taxpayers, of 15 per cent of that 40 per cent of taxation. That is all it does for them; it relieves them of 15 per cent; but the Senator does not take exception to the fact that when he voted for the income-tax provisions of this bill he relieves them not of 15 per cent but of 50 per cent of their taxes.

Mr. DILL. But I did not vote for the reduction of 50 per cent in the income taxes on incomes of over $100,000. The Senator's coalition forced that over.

Mr. SIMMONS. I do not know what the Senator voted for. Sometimes, it seems to me, he votes rather erratically, and I do not know what he did in this case.

Mr. DILL. The Senator meant democratically, not erratically.

Mr. SIMMONS. I will say that I was speaking of the whole Senate, then, if the Senator objects. The whole Senate, when it comes to these rich men, has by retroactive provision covering the whole year of 1925 relieved them of 50 per cent of the income tax that has accrued under the law of 1924 and is due the Government to-day; and they swallowed that without any sugar coating, Mr. President. They swallowed it without groaning or grunting and without complaining; yet when we ask them to apply the same system to the widows and orphans of those who are dead, and give them not a flat reduction of 50 per cent but a reduction of 15 per cent, they gag and say, "We can not do it."

Then, Mr. President, there has been a propaganda started here in the Senate by certain gentlemen who are so much averse to a man's accumulating much money in this world that to speak about a millionaire in this presence is to them like flaunting a red flag in the face of an angry bull.

Mr. NEELY. Mr. President, will the Senator yield?

Mr. SIMMONS. Yes.

Mr. NEELY. Does not the Senator think that the millionaires have been fairly well treated in the bill that is before the Senate?

Mr. SIMMONS. They have been treated like everybody else. They have been treated just the same as they were in the act of 1924. I explained that fully the other day and showed the facts.

It has been charged that this retroactive provision was in the interest of the Duke Foundation, of the King estate, or some other big estate; and the impression has been created throughout the country that these great estates are the ones to be benefited by this reduction, and that they are the only beneficiaries of this liberal action on the part of the Senate. No, Mr. President; the same benefits to the Duke Foundation that are in this bill will be accorded to every estate-tax payer in the United States. It gets the same benefits that the humblest taxpayer under the law gets, that and nothing more. Although that money must come out of a charity, it will come. They are not asking to be relieved of the tax on the Duke estate because it has to be paid out of the charity fund. They are ready to pay that. They want a reduction, but no greater reduction is asked for and no greater reduction is accorded them in this bill than is accorded the humblest taxpayer in the list of estate-tax payers.

Before I take my seat, I want to say that under the circumstances I assume the Senate will not recommit this bill. But if the motion to recommit shall be carried, as one of the conferees I will take the action seriously. I will understand that the Senate means to cut the inheritance tax off, or to have no bill. I say that so that the country and the Senate will know the attitude in which we would be placed.

Mr. NEELY. Mr. President, I send to the desk a motion, which I wish to submit.

Mr. REED of Pennsylvania. May we have it read?

The VICE PRESIDENT. The clerk will read it.

The CHIEF CLERK. The Senator from West Virginia [Mr. NEELY] moves to recommit the bill (H. R. 1) to the committee of conference with instructions:

First. To insist upon Senate amendment No. 108 repealing existing taxes and dues on tickets of admission to theaters and other places of amusement; and

Second. To insist upon Senate amendment No. 109 repealing the tax of 3 per cent on the selling price of automobiles.

Mr. NEELY. Mr. President, in spite of the eloquent and able defense of the oppressed and unhappy millionaires just made by the illustrious Senator from North Carolina——

Mr. SIMMONS. Mr. President, I repudiate the statement that I have made any defense of the millionaires of the country. The Senator is making the statement without any justification in fact.

Mr. NEELY. If that statement is offensive to the Senator from North Carolina, I amend it and say that in spite of his encomium upon the provisions of the bill which he has discussed, every Member of the Senate and everyone else knows that the pending measure is more favorable to the very wealthy than it is to the meek and the lowly.

We have given most to those who need it least and least to those who need it most. Let us restore the Senate amendment, sacrificed in conference, to the end that the masses of the people, the "hewers of wood and the drawers of water," may be enabled to go to the theaters, to the ball games, and to all other innocent amusements without paying a Federal tax on their tickets of admission.

Mr. REED of Pennsylvania. Mr. President, will the Senator yield for a question?

Mr. NEELY. Certainly.

Mr. REED of Pennsylvania. I should like to ask the Senator whether in his State the sons of the "hewers of wood and the drawers of water" pay more than 75 cents for admission to the movies?

Mr. NEELY. Under the present administration not many of them can. In the good old Democratic days everybody in West Virginia could go to the best shows and the most expensive places of amusement, but since the end of the Wilson administration there are unhappily very few of the class to which the Senator refers who are able to pay more than 75 cents for anything. But this administration will not always last. In the hope and belief that Democratic prosperity will soon return I wish to provide a tax-free admission to all places of amusement for the benefit of those who may survive this time of trouble and again become able to purchase tickets to shows and concerts costing more than 75 cents.

The second part of my motion is designed to relieve the millions of purchasers of cheap automobiles of the existing burden of 3 per cent Federal tax, which they are obliged to pay on every car they buy. As the able Senator from Washington has so clearly pointed out, we are in effect giving $85,000,000 to the owners of 25 big estates. Let us give $69,000,000 relief to the 10,000,000 people of the United States who ride in "tin lizzies"—the cars that are not luxuries but absolute necessities of every-day life—instead of giving $85,000,000 to the beneficiaries of 25 persons who have passed away.

Under the law of my State automobile owners are now paying a license tax for the privilege of operating their machines; they are paying a tax on every gallon of gasoline they consume; they are paying a tax or fee for a certificate of title; and they are paying a personal-property tax based on the value of their cars. They are paying enough taxes on automobiles, and the Federal Government should not add to their burdens. I hope my motion may prevail.

Mr. REED of Pennsylvania. Mr. President, if the motion of the Senator from West Virginia should carry, this bill would go back to conference with instructions to stand on the repeal of the admissions tax, which means $23,000,000 to $24,000,000 a year off the revenue of the United States, and it would mean the striking out also of $69,000,000 now received from the tax on the purchase price of automobiles, 3 per cent on the manufacturer's price of the automobile, a tax of about $7.50 on the average Ford touring car. It would mean a deficit in the Budget of the Nation of from $92,000,000 to $93,000,000 a year.

Understand, Mr. President, the adoption of this motion would make tax reduction this year impossible. It would deny the relief which this bill would bring to over 2,000,000 income-tax payers by striking down their taxes 100 per cent, because that is what this bill does. It exempts from income taxation entirely more than 2,000,000 persons who are paying income taxes to-day.

The Senator would do that, if you please, so that admissions to prize fights might be tax free, so that admissions to the great football games held here in the East in the fall might be tax free. He talks about the "hewers of wood and the drawers of water." How many "hewers of wood and drawers of water" go to the Yale-Harvard game or the Dempsey-what-is-its-name prize fight? How many "hewers of wood and drawers of water" go to the Ziegfeld Follies in New York and pay $6 for a ticket? Those are the people for whom the Senator from West Virginia appeals.

Mr. NEELY. Mr. President——

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from West Virginia?

Mr. REED of Pennsylvania. I yield.

Mr. NEELY. Will the Senator tell us what proportion of the beneficiaries of my proposal go to see Jack Dempsey and other great prize fighters, and what proportion of them go to the Yale-Harvard football game? Does not the Senator know that, at a rough guess, 99 per cent of the beneficiaries are those who go to theaters in their own home towns?

Mr. REED of Pennsylvania. On the contrary, I know nothing of the sort. This bill totally exempts from taxation admissions of 75 cents and under. The tax is paid by those who attend these great entertainments, thronged by the most prosperous people of this Nation, who can best afford to pay the tax. Eighty thousand or ninety thousand people will go to these great football games, and will cheerfully pay up to $5 or $6 a seat.

Mr. WALSH. Mr. President, will the Senator yield?

Mr. REED of Pennsylvania. I am glad to yield.

Mr. WALSH. I have been going to a few of the operas down at the Washington Auditorium. The gallery gods occupy the vantage points, most of them consisting of clerks and other employees in this town, who do not get salaries of more than $1,500 to $2,500 a year, and who are lovers of music. Will not the Senator include those also, as well as those who go to the prize fights and the Follies?

Mr. REED of Pennsylvania. Surely, I will include those, and those are the people to whom this bill carries the greatest boon. It exempts them wholly from the income tax. Yet the Senator will jeopardize their interests in that respect to give them this miserable pittance of 10 per cent on the tickets they buy to go to these places of amusement.

Mr. WALSH. I am simply indicating that the Senator has not completed his list of the beneficiaries when he mentions the people who go to prize fights and to the Follies. There are people who go to hear McCormack sing who are obliged to pay more than 75 cents. They would all pay the tax if we did not repeal this law.

Mr. REED of Pennsylvania. If they pay a dollar to go to hear him, they will pay a tax of 10 cents. And why should they not? Why should we not pay on our luxuries? The very wages earned by these people for whom the Senator's heart bleeds are exempted from taxation in this conference bill. Yet the Senator would jeopardize that—nay, he would do worse

than jeopardize it; he would wreck it—if his motion carries, all to save them that miserable 10 per cent on their entertainments. Which do they want, I ask? What would the people of this country say when they realized the price they were asked to pay for having this point scored on the conferees?

Mr. HOWELL. Mr. President——

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from Nebraska?

Mr. REED of Pennsylvania. I yield.

Mr. HOWELL. The Senator said that there would be a deficiency of about $93,000,000 if this were agreed to.

Mr. REED of Pennsylvania. I am trying to suggest it. I am almost asserting it.

Mr. HOWELL. Suppose we did not make retroactive the reduction on estate taxes heretofore charged on the books of the Treasury. Would not that take care of this deficiency for the first year?

Mr. REED of Pennsylvania. On the contrary, it would not take care of one-sixth of it. That reduction, as was explained while the Senator was out of the Chamber, makes a difference of less than $15,000,000 in this fiscal year.

Mr. HOWELL. I beg the Senator's pardon——

Mr. REED of Pennsylvania. The Senator may, if he wishes, but the figures are established.

Mr. HOWELL. About $415,000,000 is yet to be paid on account of assessed estate taxes under the 1924 and previous acts. You will reduce this $90,000,000 when you put into effect this retroactive clause.

Mr. REED of Pennsylvania. We will reduce it $85,000,000, and it will be spread out over seven years.

Mr. HOWELL. It will be spread out over seven years; but you are going to relieve those who have been already taxed and take out of the Treasury, take off of the books, $85,000,000. It is $90,000,000, as a matter of fact. But you say now that if this resolution should prevail the first year there would be a reduction of $93,000,000 in our income.

Mr. REED of Pennsylvania. Precisely.

Mr. HOWELL. But if we do not make retroactive a tax reduction on these estates that have been assessed under the 1924 law there will remain a credit on the books almost equal to this reduction for one year.

Mr. REED of Pennsylvania. Of course, spread out over seven years it would amount to something less than $85,000,000. Probably with the 25 per cent credit it would be nearer the $68,000,000 the actuary has figured.

Mr. HOWELL. Just a moment.

Mr. REED of Pennsylvania. The deficit that year, under the proposal in the pending motion, will be $93,000,000.

Mr. HOWELL. But there will be a charge on the books to cover it.

Mr. REED of Pennsylvania. You can not pay for the baby's shoes with credits on the books. The Government has to get the money, and it has to get it this year.

Mr. HOWELL. But the Government is not so closely run that it can not extend over a period of four or five years the payment of this $90,000,000.

Mr. REED of Pennsylvania. If the Senator can spread $85,000,000 over seven years and make it cover an annual deficit of $93,000,000, he ought to be in the Treasury Department.

Mr. HOWELL. Furthermore, you are in this tax bill providing a reduction of about $100,000,000 per annum in estate taxes on the great estates of this country which could be otherwise collected the coming year. The total that might be charged—not collected, but charged—on the books of the Treasury would amount to about $150,000,000 under the present law, and I have just been informed by the chairman of the Ways and Means Committee of the House that the 20 per cent reduction in the estate taxes provided in this pending bill will reduce that possible charge in the neighborhood of $105,000,000 a year.

Mr. REED of Pennsylvania. The total result of all the changes that have been made in the estate tax will operate to reduce the revenues in the fiscal year 1927 by less than $15,000,000.

Mr. HOWELL. But just a moment——

Mr. REED of Pennsylvania. It is my time in which we are talking, and I ought to be allowed to finish each sentence. I do not mind being interrupted at the periods, but I dislike it at the commas. [Laughter.]

Mr. SIMMONS. Mr. President, if the Senator from Pennsylvania will pardon me——

Mr. REED of Pennsylvania. Certainly.

Mr. SIMMONS. I was going to suggest that if the Senator from Nebraska is looking for revenue and will strike out the retroactive provisions of the income tax section, he will get $213,000,000.

Mr. REED of Pennsylvania. Of course, the greatest piece of retroactive reduction that we have made has been the retroactive reduction on incomes earned during the year 1925, and there seems to be a certain amount of enthusiasm for it among about 100,000,000 people of the country, all of which is jeopardized by the present motion which is offered for the sake of the purchasers of automobiles who are going to get a 40 per cent reduction in the bill as it stands, their tax being reduced from 5 per cent to 3 per cent, and for the people who go to prize fights, to the expensive plays, to football games, and other entertainments, and which the Senator seems to think should be favored in preference to the wages of the people of the country.

Mr. SIMMONS. If the Senator will allow me again, the conferees on the part of the House, who held hearings on the automobile tax provision, told us that the automobile people who came before them said to them, "If you will take off 2 per cent of the tax, we will be satisfied and we will agree not to ask for any more reduction either in the House or in the Senate."

Mr. REED of Pennsylvania. I am glad the Senator reminds us of that. That was their agreement in the House hearings.

Mr. SMOOT. And that was the agreement also with the representatives of the automobile industry who came to my office.

Mr. DILL. Mr. President, I want to ask the Senator from Pennsylvania a question bearing back upon the retroactive provision of the estate tax which he was discussing with the Senator from Nebraska. As I understand it, there were no hearings had, either before the House committee or the Senate committee, urging that the retroactive provision should apply to estate taxes?

Mr. REED of Pennsylvania. On the contrary, there were representatives from practically every State in the Union who appeared before the Ways and Means Committee and urged the absolute repeal of the tax in the future, and emphasized the utter unfairness of the postwar increase in the tax which was made by the act of 1924.

Mr. DILL. But the witnesses, or those appearing, did not argue for the retroactive provision as to those particular rates, did they?

Mr. REED of Pennsylvania. They pointed out the unfairness of them. I do not remember the evidence literally. I do not remember that anybody suggested that particular provision.

Mr. DILL. May I ask the Senator whether there were any executive meetings or hearings held regarding the retroactive clause that was put in the bill by the Senate Finance Committee?

Mr. REED of Pennsylvania. All of the hearings of the Senate Finance Committee were in executive session to that extent.

Mr. DILL. The reason why I asked was that I know there were at one time a number of attorneys here representing the big estates who were very anxious to have the retroactive provision incorporated. I find nothing in the Finance Committee hearings showing that they appeared before the committee.

Mr. REED of Pennsylvania. Not a single one of them appeared. The Senator wants to know where the suggestion originated.

Mr. DILL. That is what I am getting at.

Mr. REED of Pennsylvania. I say there were hundreds of witnesses who came before the Ways and Means Committee and testified to their opinion as to the utter unfairness of the raise to 40 per cent under the act of 1924. Either some of them suggested the idea or else it occurred spontaneously to some member of the Ways and Means Committee, because when that committee acted they put in the retroactive repeal which the Finance Committee of the Senate also put in. Somebody suggested it, but I do not know who. Probably a great many people thought of it, because a great many people realized the unfairness of it.

Mr. DILL. It really was a provision written in by the committee?

Mr. REED of Pennsylvania. First by the Ways and Means Committee and then by the Finance Committee.

Mr. SMOOT. Mr. President, on the estate tax I have asked the Actuary of the Treasury to give me exact figures for the revenue that would come from the 1924 act, from the bill as it passed the House, from the bill as it came from the conference, and the reductions under the present law. It shows that there would be a reduction of $15,000,000, just as we have stated on the floor several times to-day.

Mr. TRAMMELL. Mr. President, it is not my purpose to detain the Senate very long in a discussion of the action of the conferees. I feel that in many respects the pending bill contains very wholesome and desirable tax reductions, reductions which I have advocated and supported. I also approve most heartily of the provisions for a larger exemption than we have had under the present law. For a number of years I have held that those with small incomes should not have an income tax levied upon them until sufficient of their earnings had been made exempt to enable them to earn a livelihood and provide a comfortable support for their families. This bill has gone further in that direction than any measure we have heretofore considered, making an exemption of $3,500 for the heads of families and $1,500 for single persons, with further exemptions on account of minors, and also a certain percentage of reduction on account of earned income. This feature of the bill and its very substantial reduction of income taxes on all ordinary incomes meet with my most hearty approval.

The question of an inheritance tax is a problem upon which I realize there may be an honest difference of opinion. While I voted for a repeal of the inheritance tax, I do not hold to the contention that there is anything particularly sacred about inheritances which in time of need for revenue should entitle them to exemption from taxation, especially when the Federal Government is reaching out its hand and going in all directions to gather revenue for its maintenance. I have no quarrel with those who may honestly believe that the Federal Government should impose an inheritance tax. But in connection with the subject of an inheritance tax there have been written into the bill provisions which were in it when it came from the House, provisions which, in my opinion, transgress the cherished principle of State rights, which attempts to dictate to the States and to coerce the States into formulating their taxing system in accordance with the wishes of at least a majority of the Members of the Federal Congress. This action on the part of the Congress will, in my opinion, in the future come back to plague those who support it now.

The bill contains a provision which provides that 80 per cent of the inheritance tax paid to the Federal Government shall be refunded to the taxpayer if he pays a State inheritance tax or estate tax equal to 80 per cent of the Federal tax. Even were it not for the discussion which has taken place in the other House and upon the floor of the Senate, any person could well read between the lines and understand the object and the purpose of any such provision in the pending measure. The average 15, 18, or 20 year old boy in school would know that it was for the purpose of controlling and dominating the States upon the question of inheritance tax. When Congress invades the State's right to adopt its own system of taxation, then we are getting without the pale of authority or the proper function of the Federal Government. Congress is guilty of trespassing upon the functions and the rights of the States. Had this policy arisen on account of a general condition existing in the country that the public mind seemed to think required remedy or relief, or if it were for the purpose of trying to adjust conditions in all the States of the Union, not merely one, it would be a little more pardonable and less reprehensible.

But we all know well why the 80 per cent clause was written into the law. Last year and the year before and for several years past there has been a great tide of immigration from other States to the State of Florida. There has been a marvelous growth and development in that State. Men and women have gone there from throughout our entire country. They have gone there on account of the advantages and opportunities which they thought they would enjoy by changing their domicile to the Sunshine State. They have gone there as pleasure seekers and as home seekers by the hundreds of thousands. That State has enjoyed a prosperity and growth unequaled throughout all the history of the country, and this fact seems to have impressed some Congressmen and some Senators with the idea that Congress must belittle itself and attempt to check the tide of immigration to Florida and if possible retard the growth and development of the Peninsula State.

It seems that it appeared to them that the only convenient method of trying to check Florida at the present time was to write a clause into the tax bill, which by indirection was intended for no other purpose than a step toward the control of State taxation by the Federal Government. These foes of State rights said:

> We will write a clause into the bill and try to make every State in the Union impose an inheritance tax. To encourage and coerce them we will reimburse for State inheritance taxes to the extent of 80 per cent of the amount of the Federal tax.

The target is Florida. Not merely because my State has no State inheritance tax but primarily because of its wonderful growth. Why such concern about Florida, the land of sunshine, of enchantment, of untold resources, of opportunity, of happiness and prosperity.

As a matter of fact, as I have stated before in the Senate, the remarkable growth and development of Florida began long prior to the adoption of the State constitutional amendment exempting inheritances from tax. This growth and this prosperity of Florida reaches back for a quarter of a century and has only been accentuated within the past few years. Men of forethought and business acumen have appreciated the opportunities of Florida for more than a third of a century. That was demonstrated when a man of great business acumen and foresight and forethought like Flagler went into Florida to build his road on the east coast, and when Plant went into Florida to build his road on the west coast. At that time the State was comparatively a wilderness. They realized the possibilities and the opportunities there, and that some day their enterprises would prove possible and perhaps profitable, and that the State would grow and develop, and that it was a great field for their capital and their investment.

Their visions, their dreams came true.

In the sections of the State where railroads have penetrated through the wilderness we have to-day prosperous, modern, attractive, and wonderful cities and towns. Throughout the agricultural districts of the State there has been a marvelous development until to-day Florida—portions of which 25 years ago were a wilderness—is shipping into the markets of this country about $180,000,000 worth of products which have been grown upon her soil. To-day we are sending into the markets of the country approximately $175,000,000 worth of manufactured products. We are marketing $20,000,000 worth of phosphate, $20,000,000 worth of fish, $45,000,000 worth of naval stores, and large amounts of other products.

Florida rivals if it does not excel any State in the Union, in its colleges, its public schools, and its system of State and county highways. It leads in its fine and modern hotels. To-day it is building more hard-surfaced public roads than is any other State in the Union having anything like the same population or wealth. There is decidedly more new railroad construction in Florida than in any other State in the Union. The State is building upon a substantial and permanent basis.

While the adoption of the constitutional provision exempting inheritances from taxation in our State may have induced, and I hope that it has induced, some capital to come into the State, that has not been the moving or the actuating cause in bringing about Florida's extraordinary growth and development. We have there great natural resources; we have there splendid opportunities; we have there the beautiful, attractive scenery of rivers, of lakes, of hillsides, of magnificent groves, of beautiful farms, a land of palms and pines, and among the most beautiful and attractive cities that may be found throughout the country.

There is no State in the Union where there is a greater opportunity for a poor man to go and earn a livelihood and accumulate a competency. While the average yield per farm acre throughout the United States is only $15 per acre, the yield in my State is $225 per acre. So, there are some other reasons outside the question of exemption of inheritance taxes why Florida is growing and will continue to grow despite the fact that Congress may seek to check that prosperity by trying to interfere with our State taxation system.

God gave us the sunshine and the mild, congenial winter climate. He gave us untold resources. Man can not rob us of what God gave us.

If it be right to provide that a certain part of the inheritance taxes shall be refunded, then, with equal justice, we may provide that a certain percentage of the income tax shall be refunded to the States. We may take the automobile-tax schedule as imposed by the measure; and if some States think they may get some advantage, we may provide for a refund of that tax back to the States. We may say, forsooth, "Detroit, Mich., is the great automobile manufacturing center of the country; we are a little bit jealous; we do not like that; they have had a wonderful growth in Detroit. Let us see if we can not in some way try to break up the automobile manufacturing industry in Detroit. We are sending money there from all over the country, and can we not have it disseminated and scattered throughout the country?" So Congress might become so little as to go to work and try to manipulate and control things in regard to the automobile industry which has centralized in Detroit.

So far as I am concerned, I have no objection to the prosperity of Detroit. I rejoice in the prosperity which the people

have enjoyed in that city. It is in the case of Florida that Congress has assumed to dominate, influence, and coerce the State in its taxation system and to interfere with it because people are migrating into the State from throughout the Union. This they have a right to do, and by doing so display wisdom. They are free-born Americans; they may go and visit and enjoy the winters and the pleasures of Florida, with her attractions, and it is their own business. They may go to Florida and spend their money in building homes, for making desirable investments, or however they may wish, and it is none of the business of Congress; yet Congress will attempt by measures such as this to control and dominate the policy of a State's taxation system.

Now, just contrast the picture. Within the past two decades, I will say, Congress has very generously run its hand into the Federal Treasury and provided millions and hundreds of millions of dollars for the purpose of reclamation in the West; for the purpose of trying to develop a condition there which would attract and cause people to migrate there from other sections of the country.

In that instance Congress has even spent money for the purpose of trying to develop vast areas and trying to move people from other sections. So far as I am concerned, I have not opposed such a policy. I have no jealousy and no envy of those States which may have gotten those appropriations or of the development and settlement which may have followed as a result. I have been delighted to see the progress that the people have been making in those arid-land reclamation projects; but in that instance Congress has used its power to provide money to try to induce people to move away from certain other States in the Union and to take up residence there, to transplant them, start them off, and induce them to be settlers in that locality, while, on the other hand, Congress in the present case is going out of its way, doing something that has never yet been done by a Congress, in that it is about to enact a measure for the purpose of controlling the States in their taxation policies, and the negro in the woodpile is to try to retard Florida's growth. This will not be accomplished.

I know the stage is all set; I know what is going to happen—the conference report is going to be adopted, but I very much regret that a majority of the Senate and a majority of the House should see proper to take any such action. I can not feel that a majority of the Senate, if the question were to be considered anew on its merits, would agree to any such policy. I know the die has been cast; it is too late to accomplish anything, but I wish to enter my protest against this piece of legislation, which is an attempt to dictate the taxation policies of the different States, aimed particularly, of course, at the State of Florida, Florida being the target in this instance.

If Florida had not been so prosperous, if her bank deposits had not increased from $250,000,000 to over $1,000,000,000 last year, if her post-office receipts had not increased more than 80 per cent last year, if Florida had not led in the number of automobiles purchased, and had not led in the United States in the percentage of increase of income tax paid during the last year, if in her building program she were not excelling all other parts of the Nation, the program being over $330,000,000 last year, we would never have heard of any such provision as this. The State's advance continues, however. In January the building permits were $25,000,000. I can not help but feel that it is a most reprehensible piece of legislation, and I deplore that anything of the kind should be attempted.

Some day we will have some other measure here that will touch upon the taxation system of some other State. Other States can adopt policies which they believe will attract and induce people to come within their borders to help them develop and to grow and to utilize the resources and the opportunities which have been given to them. Some may say, "We exempt a certain amount of real estate from taxation"; others may say, "We support our Government entirely by license taxes"; and they pride themselves on the fact that they have no ad valorem tax imposed on real estate; but what if they do? That is none of the business of Congress. It is a State question pure and simple; and it is not for Congress to interfere with or attempt to outline the taxing policy of any of the States. It is this effort on the part of Congress as written into this provision that I protest against, Mr. President, most vigorously. I am strongly for most of the tax-reduction provisions of the pending bill, and wish the reductions could be even larger, but I am emphatically against the 80 per cent inheritance tax refund provision.

Mr. BRUCE obtained the floor.

Mr. HOWELL. Mr. President——

Mr. BRUCE. Mr. President, I will yield to the Senator from Nebraska. I understand he desires to address himself to the pending question.

Mr. HOWELL. Mr. President, I am opposed to sales taxes. I believe that it is a form of tax that does not take into account ability to pay. For that reason I am in favor of the motion of the senior Senator from West Virginia [Mr. NEELY]. I trust that this measure will be recommitted to the conferees, not only in the hope that the sales tax referred to in his motion may be repealed but that other taxes may be replaced upon those who have ability to pay.

If it were not for the situation of the United States to-day I would not necessarily oppose this tax bill, but we are confronted with a situation that has so long been before us that we seem to ignore it. I made the statement in some remarks several days ago that the great war is not over. It is over for the contending armies on the battle fields of France, but the World War is not over so far as paying for it is concerned. There are two great factors in war. The first is man power, and the second is wealth. It is the duty of those composing the first factor to lay down, if necessary, their lives on the battle field. The duty of the second factor, wealth, is to pay the bills. A soldier may go home after peace is declared. He has made his sacrifice. Wealth, however, has then just begun its part. Then it is that wealth—if it ever gets in the breach as a result of war—performs a laggard duty, paying the debts of war.

Mr. President, we are in the midst of the great World War to-day, so far as paying debts and other war liabilities are concerned. Last year, on account of interest on our great war debt, on account of the sinking fund for that debt, on account of veteran relief, and on account of adjusted compensation, we were called upon to pay $1,678,000,000. That you may understand that we are still in the midst of paying for this war, let me say that the average of these liabilities paid for the last four years was $1,682,000,000, or only $4,000,000 more than the amount we were called upon to pay last year.

In other words, this $1,678,000,000 is a measure of the war liability that this people must carry for years to come. It is twice what it cost to operate this Government in 1914, excluding post-office receipts. It is about $15 for every man, woman, and child in the United States to-day; and yet, Mr. President, under this bill we are letting out great wealth from under this great burden. Under this bill wealth is allowed to scuttle.

There were about 4,090,000 taxpayers last year. Five thousand of those taxpayers are relieved for the coming year, under the provisions of this bill as it has come back from the House, to the extent of about $259,000,000 on account of personal income taxes, estates taxes, and gift taxes alone. Now, mark you, I say that under this bill a class of 5,000 taxpayers are relieved of $259,000,000 in taxes on account of the three kinds of taxes I have indicated, and the remaining class of taxpayers, 4,085,000 of them, are relieved of but $162,500,000. Five thousand over here are relieved of $259,000,000; 4,085,000 over there are relieved of $162,500,000.

I made the statement the other day before the Senate that this was a millionaire's tax bill. It is not; it is a multimillionaire's tax bill. The 5,000 class that are being relieved from these taxes have incomes of $100,000 a year or more.

Mr. SIMMONS. Mr. President, I think the Senator has his figures a little bit mixed up. I think there were 7,000,000 taxpayers in this country.

Mr. HOWELL. Mr. President, I was corrected the other day when I stated that there were over 7,000,000. There were seven million and some hundred thousand income-tax returns made, but I was informed from the floor that the number of taxpayers was 4,090,000.

Mr. SMOOT. That takes into consideration the fact that this bill relieves 2,350,000 taxpayers from the payment of any tax whatever.

Mr. HOWELL. No; as I understood, the statement was made here that last year, not considering this bill, there were some 7,000,000 income-tax returns and there were some 4,090,000 taxpayers.

Mr. SMOOT. Yes.

Mr. SIMMONS. That is not the way I understand it.

Mr. SMOOT. They have to make returns if they have over $1,000 income, but they do not all pay taxes because of the exemptions.

Mr. SIMMONS. Of the 7,000,000 who make returns, as I understand, under the personal exemptions allowed in the House bill two and a half millions will not pay taxes this year. Of course, they are the small taxpayers. When the Senator comes to the estate tax of the 13,000 who now pay the

tax, there will be 6,400 who will hereafter pay no tax by reason of raising the exemption from $50,000 to $100,000.

Mr. HOWELL. Mr. President, in order that I may make myself clear——

Mr. SIMMONS. But will not the Senator permit me to interrupt him further?

Mr. HOWELL. Certainly.

Mr. SIMMONS. The Senator has said that this is a bill to relieve wealth. I have contended all along that this bill apportioned taxes between the different classes just exactly at the same ratio that the bill of 1924 did, but I want to call the Senator's attention to this matter in connection with his statement:

Under the present bill, a man with an income of $50,000 will pay a tax—that is, normal and surtax together—of $14,089. A man with an income of $1,000,000, which is twenty times that—he has twenty times the income of a man of $50,000—will pay a tax of $118,497. He has twenty times as much income, but he pays 65 times as much tax. When you go up to an income of $100,000, a man with that income will pay a tax of a little over $7,000, while a man with an income of $1,000,000—which is only ten times as much—will pay a tax of $118,497. He has ten times as much income, but he pays twenty times as much tax.

Mr. HOWELL. But, Mr. President, I would call the attention of the Senator from North Carolina to the fact that under this bill the tax paid by the taxpayer with an income of $5,000,000 is reduced about $1,087,000. That is a provision of this bill. The only way in which great wealth can contribute toward the Great War is with goods and chattels and funds; and, as I have stated, that war is not over, and they ought still to contribute. We are, however, letting them out from under, with what result?

Mr. President, this bill clearly indicates a policy to transfer this tremendous war liability to the shoulders of the masses of the people, to be paid ultimately by indirect and sales taxes. That is what it means. That is the policy underlying this bill, and that is what I protest against. I believe the United States should rapidly amortize its war liabilities. We do not know what the future has in store. In justice to the Nation we should not relieve great wealth from its present contribution toward the cost of the war, saddling such burden upon generations to come. We ought to pay now, not merely as a matter of justice but that we may be prepared for another emergency that may confront us long before we have any notion at this time.

Mr. SIMMONS. Mr. President, did the Senator vote for the inheritance-tax provision of the House bill?

Mr. HOWELL. Mr. President, the Senator from North Carolina made a gallant fight against the lowering of surtaxes in 1924, and I joined him in that fight.

Mr. SIMMONS. I was asking the Senator, however, if he voted for the inheritance-tax provision of the House bill.

Mr. HOWELL. No, sir.

Mr. SIMMONS. Did the Senator vote against the estate tax? I am speaking now of this bill.

Mr. HOWELL. I voted for an amendment increasing the estate tax, and I voted against the bill when it came up in the Senate for final passage.

Mr. SIMMONS. But the Senator did vote with the senior Senator from Nebraska [Mr. Norris] for the House estate tax?

Mr. HOWELL. I can not recall the particular votes, but I may have voted with the senior Senator from Nebraska [Mr. Norris] for a lower rate in connection with the estate taxes, hoping we might save something from the wreck in the Senate inasmuch as the Senate seemed intent upon repealing the estate tax entirely.

Mr. SIMMONS. The Senator voted against repealing the estate tax and turning it over to the States and voted for the House reduction of estate taxes?

Mr. HOWELL. I can not answer that question without referring to the RECORD.

Mr. SIMMONS. I think the Senator did.

Mr. HOWELL. But I was opposed to any reduction in the inheritance tax, and that was my attitude during the entire period the bill was under consideration.

Mr. SIMMONS. But the Senator did vote for the House provision on inheritance tax?

Mr. HOWELL. No.

Mr. SIMMONS. I think the Senator did.

Mr. HOWELL. Possibly so, but I can not answer that question without reference to the RECORD.

Mr. SIMMONS. Now the Senator is making the point that we ought to keep up these taxes, because we need the money to pay the war expenses that have not yet been liquidated. Did the Senator ever take into consideration the fact that the House bill upon its face levies only a very small inheritance tax for the benefit of the United States? It provides for a 20 per cent rate, but it provides that 16 per cent of that shall go to the States. It reserves to the Federal Government only 4 per cent; and it is a fact, not disputed, that it takes 2 per cent of that to collect the tax. So that the inheritance tax which the Senator is favoring for the purpose of getting money to pay the expenses of the war levies a net tax of only 2 per cent for the benefit of the United States Government.

Mr. HOWELL. Mr. President, I was opposed to the House bill provision respecting the inheritance tax as it came here. I submitted an amendment, which was printed, to maintain the inheritance tax at the point where it now is in the 1924 law. I finally voted against the tax bill, and I am now here protesting against the House provision. I believe that we ought to pay our debts. I believe we may be confronted with a serious situation in the world long before we now realize; and then, Mr. President, as I called to the attention of the Senate the other day, we are confronted with the cancellation of every foreign debt that thus far has been settled by the United States Foreign Debt Commission.

These cancellations amount to $7,715,000,000, and, moreover, we are not to receive, all told, from the 11 foreign countries enough to even pay 4¼ per cent interest upon these 11 debts, to say nothing of principal. The people of these United States are required to add about $106,000,000 every year to what these nations have promised to pay in order to equal the interest payable by us upon the 4¼ per cent Liberty bonds and other bonds outstanding that were issued to make these loans.

Confronted with these cancellations, confronted with this continuing interest deficit, confronted with an annual payment of about $1,678,000,000 on account of the direct war liabilities, with all this before us, we ought not reduce taxes at this time upon great estates and huge incomes. We should not in this bill provide that a man with an income of $500,000 shall be relieved of $1,087,000 income taxes, and that is what this bill does.

Something has been said about receipts from estate taxes being only $15,000,000 less because of the proposed reduction in the estate tax. This statement should not be confounded in the minds of Senators with charges on the books of the Treasury, and I can not believe it is. Every year estate taxes are charged on the books of the Treasury. They may not be collected for several years thereafter, but every year they are charged, and this year, under the 1924 law, there would be so charged about $150,000,000 on account of estate taxes alone. Under this tax bill as it went to the House the provision for every dollar of this tax was repealed. From this time forward, had the Senate bill become the law, no such charges would have been made thereafter upon the books of the Treasury. Under the bill as it returns from conference $105,000,000 of that $150,000,000 will be wiped out and no longer charged annually upon the books of the Treasury. We are repealing to that extent this estate tax.

Who pays these estate taxes? Sixty per cent of this $150,000,000 of the estate taxes are paid by those who in life enjoyed incomes of $100,000 a year or more, belonging in that class of 5,000 to whom I have referred.

Nor is that all. We have already charged upon the books of the Treasury on account of estate taxes already assessed an amount equal to about $90,000,000, and under this bill it is provided that the interested estates shall be reassessed under the provision of the 1921 law. This means the cancellation or refunding of this $90,000,000, and nearly $60,000,000 thereof inures to the 5,000 class; that is, those who in life enjoyed incomes of $100,000 or more.

So these 5,000 people, taxpayers, are the real beneficiaries of this tax bill. It is, indeed, a multimillionaire's tax bill. Do Senators think the people of the United States will not understand that ultimately? They will know, they will understand, exactly what has been done. It can not be hidden under a bushel.

Under the circumstances, therefore, I sincerely trust that this bill will be recommitted, that it be sent back to the conferees, and an opportunity given once more to wipe out these sales taxes and to restore the estate and surtaxes, in order that we may pay our war debts and the war debts of those European nations whose obligations we have agreed to cancel.

I believe the safety of the Nation depends upon it. France began in 1815 with a debt of 1,200,000,000 francs, and from that time she adopted the policy of deferring the payment of her debts. The Great War came, and what is the situation of France to-day?

Mr. President, so much depends upon this great Nation and its influence in the world that we should ever have not only an Army and a Navy but we ought to have our finances in such condition that no one could question our ability to meet any emergency. Our surplus last year amounted to only about 10 per cent of our gross income. As a business proposition, should we run closer than that, in view of our tremendous obligations? We have been told by one of the members of the Finance Committee that if we cut $93,000,000 from this bill, as proposed in the pending resolution, we will be confronted with a deficit.

With the cancellation of these European debts, not only 11 of them, but ultimately every one of them—it will be found that we will cancel all of them—with these cancellations, and, in addition thereto, with this great debt for our own part in the war, do Senators think we ought to run as closely to the shore as that? I do not believe it is good business. It is not the way the great corporations succeed. It makes no difference whether it is a private or a public enterprise, whether it is an individual or a corporation, respect is measured largely by financial resources, and that applies to a nation in the political world as well as to a commercial concern in the business world.

Therefore, Mr. President, as there is this last opportunity to send this tax bill back for amendment, I trust the pending resolution will prevail.

Mr. BRUCE. Mr. President, it is my intention to invoke the indulgence of the Senate for only a few minutes, but, entertaining the view I do about one feature of the pending bill in relation to which this conference report has been rendered, it is impossible for me not to consume at least that much time.

It is a source of the sincerest disappointment to me that our conferees have not been able to obtain the assent of the House to the repeal of the estate tax, and I am bound to confess that I have not yet heard any sort of satisfactory explanation of the precise motives by which the House has been actuated in taking the position it has taken in regard to that repeal. Its motives certainly can not be revenue motives, because the Federal estate tax, as modified by the suggestions of the House, is likely, of course, to prove highly sterile in point of revenue. In other words, if the House had imposed a Federal tax on an estate without any drawbacks of any kind for the purpose of raising a sufficient amount of revenue, I could understand that; it would all be intelligible enough. Why it should take revenue with one hand and return it with the other, as the proposition of the House in relation to the Federal estate tax does, is something that exceeds my comprehension.

I am not in the least mollified, so far as my objection to the House proposition with regard to the estate tax is concerned, by the fact that the exemption of estates from taxation has been increased from $50,000 to $100,000. That means nothing to me. That has no sort of connection with the motives by which I was influenced when I did my best to promote the views which the Senate Finance Committee entertained in relation to the estate tax.

My idea was to have the estate tax shifted as a tax resource from the Federal Government to the State governments, and that was my only motive. Federal taxation is abating; State and municipal taxation is swelling. It seemed to me that the time had come when the Federal Government, with its enormous tax resources of one kind or another, such as import duties and income taxation, might be generous enough to turn over the estate tax to the States for the purpose of enabling them to meet the tax necessities of the States.

It appears to me that the House proposition would work out hopelessly unequal and illogical results. It draws an invidious line of discrimination between States in which there is no estate tax at all, and States in which there is an estate tax. It draws a most invidious line of discrimination between estates which do not amount to $50,000 and estates which amount to more than that. It also draws an invidious line of discrimination between States like my State, the State of Maryland, in which there is no inheritance tax except a collateral inheritance tax, and the States in which there is a general inheritance tax imposed upon husbands and wives and lineal descendants as well as upon collateral inheritances. As I view the House proposition there is an indelible impress of inequality, of lack of uniformity, of injustice on it. I never saw a thing in my life framed with so much elaborate artifice and ingenuity. So far as taxation is concerned the Federal estate tax would be nothing but a water haul. So far as creating a rankling sense of injustice and wrong, it would be a potent instrument for evil, indeed.

It strikes me that this estate tax proposition is an obnoxious and, to my mind, a monstrous—I use the term advisedly—invasion of the fundamental rights of the States. Will not somebody please tell me what right does the Federal Government propose to leave to the States? I have gotten to the point now that I feel that it is really unnecessary, idle, futile to raise my voice in remonstrance against any further spoliations of State sovereignty. When Dean Swift in his dotage had his attention called to a building near Dublin for the storage of powder and munitions, he composed these lines:

Behold a proof of Irish sense;
Here Irish wit is seen.
When nothing's left that's worth defense
We build a magazine.

And just as hopeless, it seems to me, at this late day is any protest against the further encroachment of the Federal power upon the rights of the States. That Government has, as I said the other day, by judicial decision, by acts of Congress, by constitutional amendments, thrust its aggressive hand into the very bosom of the States.

It has taken away from the States even jurisdiction in relation to such subjects as popular education, labor, infancy, and maternity, and most detestable of all it has resorted to a scheme of systematic bribery by its principle of 50-50 legislation for the purpose of inducing the States to surrender the comparatively limited measure of sovereignty that is still left to them.

Through the insidious operation of that system, the covetous jurisdiction of the Federal Government has even obtained control over such subjects as infant and maternal welfare and hygiene, disease, physical rehabilitation, national roads and trails, fire protection to the forested reserves of navigable streams, and so on. All of that was done by stealth, by covert indirection worthy of a better cause. And now in this detestable proposition of the House and Federal Government proposes to abandon artifices of that nature, and by force, by brutal, crushing coercion, to compel every State in the land to adopt a uniform system of estate taxation.

Here is the State of Florida that chose, in the exercise of its views of public policy, to adopt a constitutional provision doing away with any estate tax at all. Here is another State like my own in which there is nothing but a collateral inheritance tax. And now it is the purpose of the Federal Government to apply to every State in the Union, the State of Florida, my State, and every other State, its Procrustean theory of tyrannical uniformity. I resent it as an American citizen, and I would have been untrue to myself and to my profoundest convictions if I had not, to this extent at any rate, voiced my resentment.

Mr. LA FOLLETTE. Mr. President, at this late hour I do not desire to detain the Senate by a discussion of the provisions of the bill. I made my position clear in the debate when the measure was pending before the Senate. I do desire, however, to ask unanimous consent to have inserted in the RECORD at this point an analysis of the bill which has been made at my request by the People's Legislative Service and issued by them in the form of a bulletin.

The VICE PRESIDENT. Without objection, leave is granted.

The matter referred to is as follows:

THE COALITION REVENUE BILL OF 1926

"A BILL TO UNTAX WEALTH"

Secretary MELLON (a la King George the Fourth). There is a great deal to be said in favor of a tax that the subjects are accustomed to. (Testimony before Senate Committee on Finance, Sept. 8, 1921, p. 162.)

Secretary MELLON. I think this, that the ideal system of taxation, if it could be inaugurated, if you could do away with all the other taxes and make an equitable tax on all turnovers—all sales of real estate, goods, wares, and merchandise, everything—it would spread the burden of taxation as much as it can be spread, with the exception of some taxes like the excise taxes on tobacco and places peculiarly adapted for taxation, and then you would have the ideal system. (Testimony before Senate Committee on Finance, Sept. 8, 1921, p. 163.)

There are two irreconcilable theories of taxation which are at war in the United States.

The progressive theory of taxation holds that the largest possible share of the Federal revenues shall be raised by direct taxes, levied in proportion to ability to pay on individuals and corporations in such manner that they can not be shifted.

It advocates as its principal fiscal measures the graduated income tax, the graduated estate tax, and the graduated tax upon the excess

profits of profiteering corporations. It seeks to avoid the placing of burdens upon commerce and legitimate enterprise.

It is modern, scientific, flexible, and efficient. It is advocated by the progressives of all parties and by the greatest authorities on public finance in every country.

This was the theory upon which the Great War was financed. Without these measures—the income tax, the estate tax, and the excess-profits tax—the enormous sums required for war expenditures could not have been raised.

The reactionary theory of taxation—the "Mellon plan"— holds that the greatest possible share of Federal revenue should be raised by indirect taxes, imposed at flat rates upon the rich and poor alike, in such manner that they can be easily shifted to the backs of the consumers.

It advocates as its principal fiscal measures a high tariff, the sales tax, heavy excise taxes on tobacco and other commodities, and a flat rate on corporations. It has no scruples about placing annoying and vexatious taxes upon commerce and legitimate industry if these taxes can be shifted to the great mass of American consumers.

It is out of date, unscientific, unjust, and cumbersome. It has been discarded by every modern highly civilized nation and is advocated only by those who seek to relieve wealth of its just burdens.

This reactionary system of taxation is that which is now advocated by the "unholy alliance" of conservative Republicans and conservative Democrats. It is upon the foundation of this unsound theory of taxation that the coalition has built the revenue bill of 1926.

THE GREAT DRIVE TO UNTAX WEALTH

The revenue bill of 1926—the coalition tax bill—represents the latest stage of a great campaign inaugurated in 1921 for the purpose of destroying the graduated system of taxation and relieving great wealth from paying its fair share of the burdens of government.

This great drive, headed by Andrew W. Mellon, one of its chief beneficiaries, has already saved multimillionaires and profiteering corporations thousands of millions of dollars.

With just one more tax reduction like the present the graduated tax system will be wiped out entirely and a system will be in force where the burden of taxation will rest with equal weight upon John Jones, the common laborer, and upon John D. Rockefeller, the richest man in the world.

That is the goal for which Mellon and his reactionary supporters in the Republican and Democratic Parties are striving. That is the ideal which Secretary Mellon personally proclaimed soon after he took office. Testifying before the Senate Finance Committee on September 8, 1921, he declared:

"I think this, that the ideal system of taxation, if it could be inaugurated, if you could do away with all the other taxes and make an equitable tax on all turnovers—all sales of real estate, goods, wares, and merchandise, everything, it would spread the burden of taxation as much as it can be spread, with the exception of some taxes, like the excise taxes on tobacco and places peculiarly adapted for taxation, and then you would have the ideal system."

In furtherance of this "ideal" Mellon and his supporters have already succeeded in abolishing the graduated corporation tax—the excess-profits tax on profiteering corporations. They accomplished this in 1921. In the same year they abolished the graduated income tax on "unearned increment"—the so-called net gain on capital assets held more than two years. For this they substituted a flat tax of 12½ per cent. This "unearned increment" constituted 40 per cent of the total income of the class with incomes over $1,000,000 in 1923, the latest year for which complete statistics are available. By this device they were relieved of three-fourths of the tax on this class of unearned income.

This year they have succeeded in "ungraduating" the graduated tax on incomes and estates to such an extent that the principle of "taxation according to ability to pay" is seriously undermined. Another drive like the present will complete the destruction of the graduated principle and result in the attainment of Secretary Mellon's ideal of a universal sales tax on "all sales of real estate, goods, wares, and merchandise—everything!"

$3,000,000,000 SAVED FOR MULTIMILLIONAIRES AND PROFITEERING CORPORATIONS

Let us now take a bird's-eye view of the results of this drive to untax wealth and profiteering.

We must consider the effects of five separate transactions, each having this end in view.

1. The repeal of the excess-profits tax.
2. The reductions of the supertaxes.
3. The substitution of a flat rate of 12½ per cent on "unearned increment" (capital net gain).
4. The virtual repeal of the estate tax.
5. The huge Treasury refunds to individuals and corporations of great wealth.

Ignoring for the moment the detailed methods of calculation, we find that since the Harding-Coolidge administration came into power and without counting the effects of the revenue bill of 1926, it has reduced the burden of taxation upon great wealth and profiteering corporations by the enormous sum of $2,885,357,155. This is nearly $3,000,000,000. It is one-seventh of the public debt of the United States.

This sum is made up of the following items, covering the three years 1922, 1923, and 1924:

Repeal of excess-profits tax	$2,141,203,652
Reduction of surtaxes and substitution of flat tax of 12½ per cent on "unearned increment" for incomes over $50,000	714,153,503
Total tax savings to great wealth and profiteering corporations	2,855,357,155

To this must be added the reductions in taxes on great wealth provided by the revenue bill of 1926. This bill reduces the surtaxes on incomes over $50,000 by $108,000,000 (estimate of Treasury actuary). It reduces the estate tax by almost half and allows a credit of 80 per cent of State inheritance taxes. When the full effect of this action is felt, it will reduce the proceeds from the Federal estate tax to about $25,000,000, or a total saving to great fortunes of $75,000,000 a year. The revenue bill of 1926 also provides for making a retroactive repeal of the high estate-tax rates of 1924 and for refunding all taxes paid under them. This will save the great fortunes at least $25,000,000 more.

To this should finally be added the huge refunds allowed to individuals and corporations by the Mellon administration. From July 1, 1921, to April 30, 1925, these amounted to $459,000,000. Of these refunds the Couzens committee has reported that its investigations indicate that $308,000,000 represented improper allowances.

We have, therefore, as the aggregate amount saved to great wealth and profiteering corporations by the Harding-Coolidge administration under the leadership of Secretary Mellon the colossal sum of more than $3,000,000,000. This is made up of the following items:

Repeal of excess-profits tax (aggregate for 1922, 1923, and 1924)	$2,141,203,652
Reduction of surtaxes and substitution of flat rate on "unearned increment" for incomes over $50,000 (aggregate for 1922, 1923, and 1924)	714,153,503
Additional reduction of surtaxes on incomes over $50,000, revenue bill of 1926	108,000,000
Reduction of estate tax and allowance of 80 per cent credit on State taxes	75,000,000
Retroactive repeal of 1924 estate-tax rates	25,000,000
Improper refunds to individuals and corporations (July 1, 1921, to Apr. 30, 1925)	308,000,000
Total	3,371,357,155

The detailed tables upon which these statements are based are attached hereto as Exhibit A.

"UNTO HIM THAT HATH SHALL BE GIVEN"

The results of the great drive to "untax wealth" which Secretary Mellon inaugurated as soon as he took office can also be seen by examining the statistics of personal tax reductions during the period from 1922 to 1924.

The following summary has been compiled from the official statistics published by the Commissioner of Internal Revenue. They summarize the effects of the revenue acts of 1921 and 1924. They show that the 18,000 millionaires with incomes over $50,000 have received more than six times as great reductions as the 6,600,000 of Mr. Mellon's "subjects" who earned less than $5,000 a year.

Reduction of tax on personal incomes, 1922 to 1924

	Number of persons in each class	Aggregate amount of reductions
Under $5,000	6,624,591	$117,337,893
$5,000 to $10,000	407,635	86,525,890
$10,000 to $50,000	211,204	329,052,237
$50,000 and over	17,997	714,153,503

These figures would have been even more startling if the Mellon tax plan of 1924 had been carried through. That plan was blocked, however, by the combined efforts of the progressive Republicans and Democrats.

How much fairer the revenue act of 1924 was than the act of 1921 is shown by the following figures.

Reduction of tax on personal incomes, 1922 to 1924

Year	Under $5,000	$5,000 to $10,000	$10,000 to $50,000	$50,000 and over
1922	$1,369,404	$6,227,324	$36,221,266	$123,603,429
1923	40,502,085	23,341,676	114,048,828	262,889,700
1924	75,466,404	56,956,890	178,782,143	327,660,374
	117,337,893	86,525,890	329,052,237	714,153,503

To this should be added the effects of the revenue bill of 1926. These have been effectively summarized by Senator HOWELL in a statement which he placed in the RECORD on February 12, 1926. This related to the bill as it passed the Senate, and has been modified for this memorandum as regards the estate tax, which was repealed by the Senate but restored by conference with largely reduced rates and with a credit of 80 per cent of State inheritance taxes. Instead of the $150,000,000 which Senator HOWELL stated would be lost by the repeal of the estate tax it has been estimated that $75,000,000 would be lost by the estate-tax provision recommended by the conferees. The table has been modified accordingly.

Items	The 5,694 class with incomes over $100,000	All other taxpayers of United States
Personal income-tax reductions	$120,500,000	$98,500,000
Estate tax reductions	45,000,000	30,000,000
Rebates of estates taxes levied under 1924 law	60,000,000	40,000,000
Reductions on account of gifts tax repeal	4,500,000	3,000,000
	230,000,000	171,500,000

It should be noted in connection with this table that it differs from the "official" estimates of reduction as far as the estate tax is concerned. These estimates show a reduction of only $15,000,000. This ridiculously small estimate of reduction arises from the fact that it relates only to the year 1926. Since under the law estate taxes do not have to be settled for from two to five years, there will, of course, be millions of dollars coming in from this source for five years even if the law was absolutely repealed. The estimate used in the table shows the probable result when the full effect of the reductions is felt, which will amount to at least a $75,000,000 loss of revenue.

REVENUE BILL OF 1926 UNFAIR TO SOUTHERN AND WESTERN STATES

The revenue bill of 1926 is grossly unfair to Southern and Western States in at least two particulars:

1. The virtual repeal of the estate tax.

2. The preferential reductions granted to surtaxes on large incomes.

The estate tax and the graduated income tax are the only revenue measures by which there is any readjustment of the great wealth which is drained away from the Western and Southern States and concentrated in the hands of the multimillionaires who live in a few of the Eastern States or in Europe. The wealth flows from the farms, the mines, and the factories in the form of dividends, interest, and royalties to these great centers of wealth. It can not be taxed by the States in which it is created. They can secure benefit from it only as it is taxed by the Federal Government and used for such truly national purposes as road building, waterways, and other internal improvements.

It was to these great incomes that the revenue bill of 1926 gave the maximum reduction of 50 per cent. They are concentrated in a few States.

The smaller incomes of from $10,000 to $25,000, which received almost no reduction except through the increased credit on earned income, are, however, scattered all over the country. They are grossly discriminated against by this bill. Consider these facts. The 50 per cent reduction in surtaxes was received by only 215 persons with incomes over $500,000. Eighty-three of these live in New York and 31 in Pennsylvania. In other words, more than half of the ultrarich men and women live in two States.

On the other hand, 171,801 persons with incomes ranging from $10,000 to $25,000 received no reduction whatever in their surtaxes. It is true that some of them received the benefit of an allowance of 25 per cent on earned income up to $20,000, but so also did the million-dollar class.

These and other facts are summarized in the following table:

Number of persons receiving the various rates of reduction in surtax under the committee bill

Income range	Rate of reduction to be received	Persons receiving reduction	
		Number[1]	Per cent
	Per cent		
Over $500,000	50	215	0.1
$100,000–$500,000	46–49	3,967	1.7
$50,000–$100,000	24–47	12,452	5.5
$20,000–$50,000	10–25	24,913	10.9
$25,000–$30,000	0–12½	14,919	6.5
$10,000–$25,000	[2] 0	171,801	75.3
Total (over $10,000)		228,267	100.0

[1] Based on number in 1923. "Statistics of income," 1923, p. 59.

[2] Of the 171,801 persons in the $10,000–$25,000 class, 147,454 are between $10,000 and $20,000 who under the "earned net income" provision of the committee's bill will receive a 25 per cent reduction as compared with the 1924 law, if their entire income is "earned." This still leaves 24,347 in the $20,000–$25,000 class with no reduction. If the percentages were based on the 80,813 returns of over $20,000, the 24,347 persons receiving no reduction on this basis would be 30.2 per cent. On this same basis, the percentages of persons receiving reductions in the brackets from $25,000 up would be, in each bracket, about three times the percentage shown in the table on the basis of 228,267 returns.

The most interesting and significant facts do not emerge, however, until we classify these reductions by the States in which the beneficiaries reside. Then we find that 25 States did not have a single taxpayer that received the benefit of the 50 per cent surtax reduction on incomes over $500,000. These States were Arizona, Arkansas, Delaware, Georgia, Hawaii, Idaho, Kansas, Kentucky, Louisiana, Mississippi, Montana, Nebraska, Nevada, New Hampshire, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Tennessee, Texas, Utah, Virginia, Washington, and Wyoming.

Seven other States had only one person who received the 50 per cent reduction. These were Colorado, Indiana, Iowa, Maryland, Minnesota, Vermont, and Wisconsin.

The following table shows just how the surtax reductions were distributed among the different States. It discloses how unevenly the wealth of the United States is distributed. It demonstrates how the movement to "untax wealth" discriminates again in favor of those States where the "ultrarich" have chosen to reside.

A still more detailed analysis showing the results in various representative States is attached as Exhibit B:

Revenue bill of 1926

(Calculations based on 1923 statistics of income)

State	Number of persons receiving the various rates of surtax reduction						
	50 per cent	46–49	24–47	10–25	0–12½	0	Total (over $10,000)
	Per cent	*Per cent*	*Per cent*	*Per cent*	*Per cent*	*Per cent*	
Alabama	2	6	57	128	92	1,105	1,390
Arizona	0	2	6	22	9	182	221
Arkansas	0	11	38	70	50	709	878
California	5	186	763	1,758	1,091	13,235	17,038
Colorado	1	24	55	128	72	1,030	1,310
Connecticut	3	75	285	575	305	3,399	4,642
Delaware	0	11	39	64	35	376	525
District of Columbia	1	45	118	226	149	3,290	3,829
Florida	2	16	73	133	103	1,259	1,586
Georgia	0	18	71	201	129	1,486	1,905
Hawaii	0	15	34	52	32	277	410
Idaho	0	1	3	7	4	91	106
Illinois	24	380	1,127	2,393	1,477	16,183	21,584
Indiana	1	26	154	314	200	2,766	3,461
Iowa	1	13	51	158	113	1,553	1,889
Kansas	0	9	24	58	55	832	978
Kentucky	0	13	81	203	118	1,681	2,096
Louisiana	0	18	71	190	98	1,452	1,829
Maine	2	15	51	110	80	925	1,183
Maryland	1	53	224	502	311	3,305	4,396
Massachusetts	8	296	894	1,810	984	10,342	14,334
Michigan	9	141	446	863	518	5,639	7,616
Minnesota	1	49	152	305	195	2,245	2,947
Mississippi	0	9	19	70	38	552	688
Missouri	3	66	287	622	395	4,399	5,772
Montana	0	1	6	13	17	238	275
Nebraska	0	8	27	84	67	926	1,112
Nevada	0	1	2	1	3	48	55
New Hampshire	0	7	37	68	44	603	759
New Jersey	12	179	547	1,106	703	8,535	11,082
New Mexico	0	0	7	15	4	72	98
New York	83	1,362	3,566	6,368	3,593	37,308	52,280
North Carolina	3	33	77	166	112	1,316	1,707
North Dakota	0	0	0	3	7	119	129
Ohio	12	158	627	1,350	792	9,332	12,271
Oklahoma	0	19	43	119	104	1,755	2,040
Oregon	0	13	40	115	66	969	1,203
Pennsylvania	31	498	1,540	2,691	1,642	17,311	23,713
Rhode Island	3	45	133	256	132	1,458	2,027
South Carolina	3	7	20	68	43	570	711
South Dakota	0	0	2	9	6	154	171
Tennessee	0	15	65	238	148	1,615	2,081
Texas	0	38	184	388	231	3,306	4,147
Utah	0	1	10	34	23	371	439
Vermont	1	8	24	43	25	384	485
Virginia	0	11	66	165	90	1,598	1,930
Washington	0	10	49	151	80	1,168	1,458
West Virginia	2	21	82	159	110	1,357	1,731
Wisconsin	1	33	173	325	210	2,803	3,545
Wyoming	0	1	2	16	14	172	205
Total	215	3,967	12,452	24,913	14,919	171,801	228,267

ELEVEN MILLION DOLLARS FOR 20 MILLIONAIRES

The greatest beneficiaries of the revenue bill of 1926 are the multimillionaires with incomes of $1,000,000 a year.

The following statement, showing the amounts saved for 20 of these very wealthy men and women, has been compiled from the returns of 1924 as published in the New York Times:

Amount of tax reduction received by 20 millionaires through coalition tax bill

Name	State or city	Tax paid, 1925	Amount saved by 1926 tax bill	Amount contributed to Republican campaign fund, 1924
John D. Rockefeller, jr.	New York	$6,277,669	$2,762,174	$10,000
Henry Ford	Detroit	2,608,808	1,147,875	(?)
Edsel Ford	do	2,158,055	949,544	3,000

Amount of tax reduction received by 20 millionaires through coalition tax bill—Continued

Name	State or city	Tax paid, 1925	Amount saved by 1926 tax bill	Amount contributed to Republican campaign fund, 1924
Andrew W. Mellon	Washington	$1,882,609	$828,348	$10,000
Payne Whitney	New York	1,676,626	737,715	15,000
Edward S. Harkness	do	1,351,708	594,751	(?)
Marshall Field estate and 3 heirs	Chicago	1,197,605	526,946	5,000
Clinton H. Crane	New York	1,066,716	469,355	(?)
Anna M. Harkness	do	1,061,537	467,076	(?)
F. W. Vanderbilt	do	792,986	348,909	(?)
Subtotal for first 10		20,074,319	8,832,693	
George F. Baker, sr	do	792,076	348,513	7,500
Thomas F. Ryan	do	791,851	348,414	(1)
George F. Baker, jr	do	783,406	344,698	5,000
Vincent Astor	do	642,600	282,744	10,000
J. B. Duke (deceased)	New Jersey	641,250	282,150	12,500
Julius Fleischmann (deceased)	New York	625,996	275,438	10,000
Cyrus H. K. Curtis	Philadelphia	583,872	256,903	3,000
J. Pierpont Morgan	New York	574,379	252,726	(?)
Joseph E. Widener	Philadelphia	488,106	214,766	25,000
Thomas W. Lamont	New York	480,741	211,526	(?)
Grand total for 20		26,478,596	11,650,571	

[1] Contributed $50,000 to Democratic campaign fund.
[2] Contributed $2,500 to Democratic campaign fund.

This table raises the question whether the Republican and Democratic campaign treasurers are not absurdly inefficient and unscientific in their assessments.

A 1 per cent levy on the amounts saved for these gentlemen by the coalition tax bill would have yielded far greater returns. This should serve as a guide for future campaign treasurers.

EXHIBIT A

DETAILS OF CALCULATIONS OF TAX REDUCTIONS ON INDIVIDUAL AND CORPORATE INCOMES FOR THE YEARS 1922, 1923, AND 1924

1922 tax reduction on corporate income

[Source: "Statistics of income," 1922, pp. 16–17; 1920, p. 10]

Net income of corporations reporting net income 1922	$6,963,811,143
Average rate of corporation tax plus excess-profits tax paid in 1920—per cent	20.57
Tax on above 1922 income, at 1920 rate	1,432,455,952
Tax actually paid in 1922	783,776,268
Reduction in 1922, due to repeal of excess-profits tax	648,679,684

1923 tax reduction on corporate income

Net income of corporations reporting net income 1923 (statistics of income, 1923, p. 11)	8,321,529,134
Average rate of corporation tax plus excess-profits tax paid in 1920 (statistics of income, 1920, p. 10)—per cent	20.57
Tax on above 1923 income, at 1920 rate	1,711,738,543
Tax actually paid in 1923 (statistics of income, 1923, p. 11)	937,106,798
Reduction in 1923 due to repeal of excess-profits tax	774,631,745

1924 tax reduction on corporate incomes

Income tax paid by corporations in 1924 [1]	1,111,976,801
Rate of tax on corporate net income in 1924, one-eighth or—per cent	12½
Estimated net income of corporations in 1924 (estimated at eight times the tax paid)	8,895,814,408
Average rate of corporation income tax plus excess-profits tax paid in 1920—per cent	20.57
Tax on above estimated 1924 net income at 1920 rate	1,829,869,024
Tax actually paid in 1924	1,111,976,801
Reduction in 1924 due to repeal of excess-profits tax	717,892,223

[1] Corporate tax in 1924 arrived at as follows:

Total corporate and personal-income tax:	
First quarter 1924 (internal-revenue collections, fiscal year 1925, p. 2)	$586,780,190
Second quarter 1924 (internal-revenue collections, fiscal year 1925, p. 2)	433,719,574
Third quarter, 1924 (internal-revenue collections, fiscal year 1925, p. 2)	400,002,858
Fourth quarter 1924 (internal-revenue collections, fiscal year 1925, p. 2)	380,608,364
Year 1924	1,801,110,986
Deduct personal-income tax (statistics of income, 1924, individuals, preliminary report, p. 15)	689,134,185
Balance, corporate income tax	1,111,976,801

1922 tax reductions on personal incomes—Net incomes of individuals in 1922 calculated at 1921 rates

[Includes effect of reductions of normal taxes, surtaxes, and flat rate on capital gains]

	Net income 1922 [1]	1921 rate [2]	Yield at 1921 rates	Actual 1922 tax [3]
Under $1,000	$247,564,383	$0.08	$198,051	$246,636
$1,000–$2,000	3,630,570,922	.81	29,407,624	27,081,089
$2,000–$3,000	5,153,497,468	.39	20,098,640	20,729,737
$3,000–$5,000	4,500,557,809	1.05	47,255,857	47,533,306
$5,000–$10,000	2,641,904,702	2.90	76,615,236	70,387,912
$10,000–$25,000	2,255,871,780	6.48	146,180,491	123,575,960
$25,000–$50,000	1,208,273,932	11.53	139,313,984	125,697,249
$50,000–$100,000	805,223,854	19.87	159,997,979	144,092,555
$100,000–$150,000	260,203,553	32.00	83,265,137	71,337,246
$150,000–$300,000	266,814,381	42.14	112,435,580	98,810,408
$300,000–$500,000	116,672,075	51.94	60,599,476	43,488,227
$500,000–$1,000,000	107,670,678	58.70	63,202,687	38,559,344
$1,000,000 and over	141,386,993	63.59	89,907,989	49,517,639
Total	336,212,530		1,028,478,731	861,057,308

Summary of reductions	Yield at 1921 rates	Actual tax, 1922	Reduction
Under $5,000	$96,960,172	$95,590,768	$1,369,404
$5,000–$10,000	76,615,236	70,387,912	6,227,324
$10,000–$50,000	285,494,475	249,273,209	36,221,266
Over $50,000	569,408,848	415,805,419	123,603,429
Total	1,028,478,731	861,057,308	167,421,423

Relative benefits from reductions

	Reductions	Rate of reduction	Number of persons benefited [1]	Benefit per person
		Per cent		
Under $5,000	$1,369,404	1.4	6,193,270	$0.22
$5,000–$10,000	6,227,324	8.1	391,373	15.94
$10,000–$50,000	36,221,266	12.7	186,807	193.90
Over $50,000	123,603,429	21.7	16,031	7,710.27

[1] Statistics of income, 1922, p. 5.
[2] Statistics of income, 1922, p. 35.
[3] Statistics of income, 1922, p. 6.

1923 tax reductions on personal incomes—Net incomes of individuals in 1923 calculated at 1921 rates

[Includes effect of reductions of surtaxes and flat rate on capital gains]

Income class	Net income, 1923 [1]	1921 rate [2]	Yield at 1921 rates	Actual 1923 tax [3]
Under $1,000	$252,513,019	$0.08	$202,010	$316,602
$1,000–$2,000	3,683,428,617	.81	29,835,772	18,190,038
$2,000–$3,000	6,069,132,445	.39	23,669,617	16,570,881
$3,000–$5,000	6,461,142,951	1.05	67,842,001	45,969,794
$5,000–$10,000	2,717,991,529	2.90	78,821,754	55,480,078
$10,000–$25,000	2,558,361,589	6.48	165,781,831	103,865,711
$25,000–$50,000	1,350,680,468	11.53	155,733,458	103,600,750
$50,000–$100,000	833,898,237	19.87	165,695,580	108,873,597
$100,000–$150,000	280,656,213	32.00	89,809,988	55,719,390
$150,000–$300,000	260,584,012	42.14	109,810,103	62,104,203
$300,000–$500,000	124,569,194	51.94	64,701,239	31,668,552
$500,000–$1,000,000	95,107,209	58.70	55,827,932	25,498,434
$1,000,000 and over	152,071,881	63.59	96,702,509	35,788,475
Total	24,840,137,364		1,104,433,794	663,651,505

Summary of reductions	Yield at 1921 rates	Actual tax, 1923	Reduction
Under $5,000	$121,549,400	$81,047,315	$40,502,085
$5,000–$10,000	78,821,754	55,480,078	23,341,676
$10,000–$50,000	321,515,289	207,466,461	114,048,828
Over $50,000	582,547,351	319,657,651	262,889,700
Total	1,104,433,794	663,651,505	440,782,289

Relative benefits from reductions

Income class	Reductions	Rate of reduction	Number of persons benefited [1]	Benefit per person
		Per cent		
Under $5,000	$40,502,085	33	7,072,424	$5.73
$5,000–$10,000	23,341,676	30	397,630	58.70
$10,000–$50,000	114,048,828	35	211,633	538.89
Over $50,000	262,889,700	45	16,634	15,804.35

[1] Statistics of income, 1923, p. 4.
[2] Statistics of income, 1922, p. 35.
[3] Statistics of income, 1923, p. 5.

1924 tax reduction on personal incomes—Net income of individuals in 1924 calculated at 1921 rates

Income class	Net income 1924 [1]	1921 rate [2]	Yield at 1921 rates	Actual 1924 tax [3]
Under $1,000	$236,051,857	0.08	$188,841	$143,033
$1,000-$2,000	3,441,614,242	.81	27,877,075	8,890,693
$2,000-$3,000	5,671,134,658	.39	22,117,425	7,688,983
$3,000-$5,000	6,035,045,426	1.05	63,367,977	21,362,205
$5,000-$10,000	2,965,766,075	2.90	86,007,216	29,050,326
$10,000-$25,000	2,816,129,782	6.48	182,485,210	77,033,803
$25,000-$50,000	1,580,506,393	11.53	182,232,387	108,901,651
$50,000-$100,000	1,053,650,186	19.87	209,360,292	135,866,979
$100,000-$150,000	367,049,390	32.00	117,455,805	73,515,435
$150,000-$300,000	372,576,119	42.14	157,003,577	91,836,793
$300,000-$500,000	171,482,809	51.94	89,068,171	45,089,311
$500,000-$1,000,000	157,351,247	58.70	92,365,182	42,497,825
$1,000,000 and over	154,852,709	63.59	98,470,838	46,657,148
Total	25,023,210,893		1,327,999,996	689,134,185

[1] Statistics of income, 1924, preliminary report, p. 14.
[2] Statistics of income, 1922, p. 35.
[3] Statistics of income, 1924, preliminary report, p. 15.

Summary of reductions

	Yield at 1921 rates	Actual tax, 1924	Reduction
Under $5,000	$113,551,318	$38,084,914	$75,466,404
$5,000-$10,000	86,007,216	29,050,326	56,956,890
$10,000-$50,000	364,717,597	185,935,454	178,782,143
Over $50,000	763,723,865	436,063,491	327,660,374
	1,327,999,996	689,134,185	638,865,811

Relative benefits from reductions

	Reductions	Rate of reduction	Number of persons benefited [1]	Benefit per person
		Per cent		
Under $5,000	$75,466,404	66.5	6,608,079	$11.42
$5,000-$10,000	56,956,890	66.2	433,902	131.27
$10,000-$50,000	178,782,143	49.0	235,172	760.22
Over $50,000	327,660,374	42.9	21,328	15,362.92

EXHIBIT B

"EARNED INCOME" REDUCTION NOT AN OFFSET TO FAILURE TO REDUCE SURTAX RATES IN $10,000–$20,000 BRACKETS

The attached tables showing the amounts and percentages of surtax reduction for the various income classes record the fact that on net incomes from $10,000 to $25,000 there is no surtax reduction under the bill.

As a matter of subsidiary information, it is shown in footnote that the $10,000–$20,000 group, with no surtax reduction, is given a 25 per cent reduction if the net income is entirely "earned."

It can not be urged that a 25 per cent reduction on account of "earned" income offsets the failure to reduce the surtax on this group. It is a correct theory that an earned income should pay less tax than one unearned. It is therefore a denial of justice to grant an earned-income reduction in one section of the bill and then to take away that relative advantage in another section of the bill.

In other words, earned incomes are justly entitled to an advantage as compared with unearned. And if surtaxes are to be reduced they are also justly entitled, as an entirely separate matter, to their proper share in the advantage of surtax reduction. Instead, while other incomes from $26,000 up are to be given reductions of from 10 to 50 per cent in surtaxes, this group of $10,000–$20,000 receives no surtax reduction whatever.

This relative injustice can not be covered or excused by the fact that the bill gives this group a belated justice in the separate matter of tax on earned income.

Number of persons benefited and amount of surtax reduction—Under surtax cuts in committee's bill in specified States

(Based on returns for calendar year ended December 31, 1923)
(Source: "Statistics of Incomes," 1923, p. 136 ff.)

[NOTE.—Where two or more income classes are grouped and a single figure of surtax shown for the group it is because the official statistics so grouped items in order to avoid identifying individual taxpayers]

[Footnotes at end of table]

Income class	Number of persons	Amount of surtax in 1923	Committee surtax reduction		
			Per cent [1]		Amount [1]
			Range	Average	
ARIZONA					
$150,000-$5,000,000	0	0	50	50	0
$100,000-$150,000	2				
$90,000-$100,000	1	$43,057	24-47	41	$17,653
$60,000-$70,000	1				
ARIZONA—continued					
$70,000-$90,000	4	$41,942	31-41	36	$15,634
$30,000-$50,000	22	33,496	10-25	20	6,559
$25,000-$30,000	9	6,754	0-12½	9	608
$10,000-$25,000	182	24,646	0	0	0
Total (over $10,000)	221	149,895		27	39,854
Detail for $10,000-$25,000:					
$10,000-$20,000 [2]	158	14,680	0	0	[2]0
$20,000-$25,000	24	9,966	0	0	0
Total	182	24,646	0	0	0
IDAHO					
$500,000-$5,000,000	0	0	50	50	0
$400,000-$500,000	1	0	49	49	0
$50,000-$70,000	3	13,563	24-32	27	3,662
$30,000-$50,000	7	14,831	10-25	19	2,831
$25,000-$30,000	4	3,976	0-12½	9	358
$10,000-$25,000	91	12,647	0	0	0
Total (over $10,000)	106	45,017		15	6,851
Detail for $10,000-$25,000:					
$10,000-$20,000 [2]	82	8,967		0	[2]0
$20,000-$25,000	9	3,680		0	0
Total	91	12,647		0	0
NEVADA					
$150,000-$5,000,000	0	0	50	50	0
$40,000-$150,000	4	21,372	15-46	30	6,412
$25,000-$30,000	3	2,278	0-12½	9	205
$10,000-$25,000	48	6,501	0	0	0
Total (over $10,000)	55	30,151		22	6,617
Detail for $10,000-$25,000:					
$10,000-$20,000 [2]	44	4,874	0	0	0
$20,000-$25,000	4	1,627	0	0	0
Total	48	6,501	0	0	0
ARKANSAS					
$500,000 and over	0	0	50	50	0
$200,000-$250,000	1				
$100,000-$150,000	10	266,921	46-47	46	122,783
$50,000-$100,000	38	199,242	25-47	33.6	66,905
$30,000-$50,000	70	125,504	10-25	19	24,226
$25,000-$30,000	50	41,972	0-12½	9	3,777
$10,000-$25,000	709	113,737	0	0	0
Total (over $10,000)	878	747,376		29	217,691
Detail for $10,000-$25,000:					
$10,000-$20,000 [2]	611	67,173	0	0	[2]0
$20,000-$25,000	98	46,564	0	0	0
Total	709	113,737	0	0	0
NEW JERSEY					
$1,500,000-$4,000,000	3	589,240	50	50	294,620
$1,000,000-$1,500,000	3	361,886	50	50	180,943
$750,000-$1,000,000	3	579,984	50	50	289,992
$500,000-$750,000	3	327,447	50	50	163,724
Subtotal (over $500,000)	12	1,858,557	50	50	929,279
$100,000-$500,000	179	5,843,720	46-49	47	2,726,635
$50,000-$100,000	547	3,719,023	24-47	33	1,234,382
$30,000-$50,000	1,106	2,082,565	10-25	14	403,345
$25,000-$30,000	703	594,921	0 -12½	9	53,543
$10,000-$25,000	8,535	1,355,792	0	0	0
Total (over $10,000)	11,082	15,454,578		3	5,347,184
Detail $10,000-$25,000:					
$10,000-$20,000 [2]	7,391	817,449	0	0	[2]0
$20,000-$25,000	1,144	538,343	0	0	0
Total	8,535	1,355,792	0	0	0
PENNSYLVANIA					
$2,000,000-$3,000,000	1				
$1,500,000-$2,000,000	2	5,477,954	50	50	738,977
$1,000,000-$1,500,000	7	1,075,419	50	50	537,710
$750,000-$1,000,000	6	1,347,843	50	50	673,921
$500,000-$750,000	15	2,018,153	50	50	1,009,077
Subtotal (over $500,000)	31	5,919,369	50	50	2,959,685

Number of persons benefited and amount of surtax reduction—Under surtax cuts in committee's bill in specified States—Continued

Income class	Number of persons	Amount of surtax in 1923	Committee surtax reduction		
			Per cent[1]		Amount[1]
			Range	Average	
PENNSYLVANIA—con.					
$100,000–$500,000	498	$16,566,698	46–49	47	$7,786,238
$50,000–$100,000	1,540	9,993,801	24–47	33	3,303,602
$30,000–$50,000	2,691	5,099,816	10–25	19	990,341
$25,000–$30,000	1,642	1,375,737	0–12½	9	123,816
$10,000–$25,000[2]	17,311	2,815,701	0	0	[2]0
Total (over $10,000)	23,713	41,771,122	.....	36	15,164,682
Detail $10,000–$25,000:					
$10,000–$20,000[2]	14,853	1,162,839	.....	0	[2]0
$20,000–$25,000	2,458	1,152,862	.....	0	0
Total	17,311	2,815,701	.....	0	0
NEW YORK					
$5,000,000 and over	1				
$4,000,000–$5,000,000	1	8,731,579	50	50	4,365,790
$3,000,000–$4,000,000	3				
$2,000,000–$3,000,000	6	2,067,731	50	50	1,033,865
$1,500,000–$2,000,000	5	1,002,065	50	50	501,033
$1,000,000–$1,500,000	18	4,145,103	50	50	2,072,551
$750,000–$1,000,000	9	1,992,252	50	50	996,126
$500,000–$750,000	40	6,579,396	50	50	3,289,698
Subtotal (over $500,000)	83	24,518,126	50	50	12,259,063
$100,000–$500,000	1,362	47,505,244	46–49	47	22,311,992
$50,000–$100,000	3,566	24,523,619	24–47	33	8,201,380
$30,000–$50,000	6,368	12,529,821	10–25	20	2,443,784
$25,000–$30,000	3,593	8,025,794	0–12½	9	272,321
$10,000–$25,000	37,308	6,325,081	0	0	0
Total (over $10,000)	52,280	118,427,685	.....	38	45,488,540
Detail for $10,000–$25,000:					
$10,000–$20,000[2]	31,633	3,654,751	0	0	[2]0
$20,000–$25,000	5,675	2,670,330	0	0	0
Total	37,308	6,325,081	0	0	0

[1] When percentage of reduction is shown as a range (e.g., 24–47 per cent), the amount of reduction has been estimated on the basis of the average of the various percentages included in the range. In case of grouped figures the average is weighted according to the number of persons in each class of the group.

[2] $10,000–$20,000 class shown separately, because under "Earned income" provision of committee bill these persons have a 25 per cent reduction if income is all "earned."

Mr. ROBINSON of Arkansas. Mr. President, the discussion of the motion submitted by the Senator from West Virginia [Mr. NEELY] has been interesting, and his appeal for the elimination of the automobile tax has impressed me very sincerely. At this stage of the proceedings, however, it is not possible to have a vote on the motion in the form presented. I would not suggest a point of order against any motion that the Senator from West Virginia made if the situation were different from that which now exists.

The state of the record as I understand it is—and if I am in error some one who knows better will please correct me—that the conference report was submitted to the body at the other end of the Capitol yesterday and agreed to last night. The conference report having been acted upon in one branch of the Congress, it is not possible for the other branch to recommit the conference report to the committee of conference for the simple reason that when one branch of Congress acts upon a conference report, that action automatically discharges the conferees on the part of that House. While I would like very much to see a vote on the motion submitted by the Senator from West Virginia, that vote can not be taken for the reason that if it prevails it would be a moral and intellectual impossibility to determine how we could ever get the bill back before the Senate unless the Senate should take the viewpoint that its action in committing the bill back to conference was a nullity.

For this reason, at this stage of the proceedings the only vote that can be taken is a vote on agreeing to the conference report. I am compelled, therefore, to suggest the point of order. As I stated before, I would not do it if it were a mere matter of procedure in the Senate, but the point goes to the very question of passing the bill at all, and therefore I am compelled to make it.

The VICE PRESIDENT. The Chair holds that the point of order is well taken.

Mr. BLEASE. Mr. President, before the Chair rules I would like to ask the Senator from Arkansas a question.

Mr. ROBINSON of Arkansas. I yield to the Senator from South Carolina.

Mr. BLEASE. If the Senate should refuse to concur, what, then, would be the situation?

Mr. ROBINSON of Arkansas. It would then be necessary to appoint new conferees and send the bill back to conference, if the bill is to pass. But the House having agreed to the conference report and thereby discharged its conferees, it is not possible now to recommit it to conference.

It is a disputed question as to whether a conference report can be recommitted to a conference with instructions, but I do not raise that point. There are cases which hold both ways, that it is competent for the Senate to instruct its conferees and recommit bills to conference, under certain conditions, with instructions. But this is an entirely different case. This is a case where the conferees have reported to the House of Representatives, and that body has agreed to the conference report and discharged its conferees. As held by Mr. Speaker Crisp, which ruling has never been controverted, a motion to recommit is to recommit to the full conference, not to the conferees on the part of the Senate, but to the conferees as a whole. Since the conferees on the part of the House have been discharged, it is not possible at this time to entertain the motion which has been made.

Mr. BLEASE. Mr. President, I have no doubt the Senator from Arkansas is entirely correct, and I think if the Senator would move to recommit the motion would carry with it the discharge of the present conferees. I think the Senator is correct in that proposition of parliamentary law.

Mr. NEELY. Mr. President, under the rules of the Senate, as everyone knows, a question of order is not debatable. I have been insisting in vain on the enforcement of that rule for the last three years. But inasmuch as the Senator from Arkansas [Mr. ROBINSON], for whose opinion I have great respect, has been permitted to discuss the point of order he has made against my motion to recommit, I hope the Chair will indulge me long enough to invite attention to two decisions that are applicable to the case.

In 1873 in a case involving the point of order that the Senator from Arkansas now makes the following occurred:

The Presiding Officer (George F. Edmunds) overruled the point of order, quoting from Barclay's Digest: "A committee of conference may be instructed like any other committee, but the instructions can not be moved when the papers are not before the House."

Of course, the papers in this case are before the Senate.

An appeal was taken and was debated at length and learnedly, the nature, history, and objects of conference committees being set out by Mr. Sherman, Mr. Bayard, Mr. Conkling, and Mr. Hamlin. The decision of the chair was overruled by a vote of 11 ayes to 47 nays. (See Cong. Globe, 42d Cong., 3d sess., pp. 2173–2184; J. pp. 554 557.)

In the Fifty-ninth Congress, on June 6, 1906, the same question arose, when it appears, from page 229 of Gilfry's Precedents, that the following action was taken:

On motion by Mr. Tillman—

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 12987) to amend an act entitled "An act to regulate commerce," approved February 4, 1887, and all acts amendatory thereof, and to enlarge the powers of the Interstate Commerce Commission.

During the debate Mr. Lodge said: "Mr. President, the amendment of the Senator from North Dakota [Mr. Hansbrough], for which I voted and which I think was an excellent amendment, provided that in the case of a shipper soliciting or receiving a rebate or discrimination he should be liable in a civil action for three times the amount. The words 'knowingly and willfully' are stricken out of that clause. * * * I do not desire to press this to a vote of instruction if the conferees will consent to the removal of these lines without bringing it back again to the Senate."

In the case just mentioned the motion to recommit with instructions prevailed, and it ought to prevail now.

Mr. ROBINSON of Arkansas. Mr. President, will my friend from West Virginia yield to me for just a moment?

Mr. NEELY. Certainly.

Mr. ROBINSON of Arkansas. Every case to which the Senator has referred—and I think every case to which he can refer—relates to the proposal to recommit a measure with instructions to the conferees before either House has acted upon the conference report. I did not raise that point, as I explained to the Senate, because I realized that the authorities are divided on it; there are a great many of them both ways; but this situation is entirely different. It is a physical im-

possibility to recommit the bill to a body that no longer exists. That is the point about it.

Mr. NEELY. Mr. President——

Mr. MOSES. Has the Senator from Arkansas quoted the precedents on that?

Mr. ROBINSON of Arkansas. I have not quoted the precedents, but I can do so. I have them before me.

Mr. MOSES. May I call the Senator's attention to a very sweeping precedent in volume 2, page 209, on a ruling by Vice President Marshall?

Mr. ROBINSON of Arkansas. Yes; I have also the precedent to which the Senator from West Virginia [Mr. NEELY] has referred, but when one thinks about it a moment, precedents are not required. If it be conceded that the effect of the House acting upon a conference report is to discharge its conferees, which is the rule universally accepted, then the conference no longer exists; and it is not possible to recommit a bill to a body that has been disbanded. When the representatives of the House on a conference committee perform their function, submit the conference report to the House, and the House acts upon it, they no longer exist as conferees; they are merged back into the House of Representatives as Members of the body.

Mr. MOSES. They are automatically discharged.

Mr. ROBINSON of Arkansas. They are automatically discharged, as I previously stated.

Mr. MOSES. That is true; but the fact is also that the Senate by a sweeping vote of 47 to 11 maintained the same position.

Mr. ROBINSON of Arkansas. Oh, yes. However, so far as the vote of the Senate is concerned, it might have voted 47 to 11 the other way if it had taken a different view of the question; but I am resting this not alone upon the precedents—and there are none to the contrary—but on the consideration that when we come to realize the situation there can be no recommittal of this bill to the conferees.

Mr. SMOOT. Mr. President, I may say to the Senator from West Virginia [Mr. NEELY] that, if he will remember, the Senate insisted upon its amendments and asked for a conference. If we had simply passed the bill, it had gone to the other House, and the House had asked for the conference and had insisted upon its bill, then when the bill went to conference we would have had to report it first. Then the Senate could have given any instructions it desired because of the fact that the House conferees would not have been discharged, but in this case we asked for the conference and insisted upon our amendments.

The VICE PRESIDENT. The Chair rules that the point of order is well taken. Is there an appeal from the decision of the Chair?

Mr. NEELY. I respectfully appeal from the decision of the Chair.

The VICE PRESIDENT. The question is, Shall the decision of the Chair stand as the judgment of the Senate?

Mr. NEELY. On that question I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. SMOOT. A parliamentary inquiry, Mr. President.

The VICE PRESIDENT. The Senator will state it.

Mr. SMOOT. I wish the Chair would again state the question, because there seems to be a misunderstanding as to just what it is.

The VICE PRESIDENT. The question is, Shall the decision of the Chair stand as the judgment of the Senate?

The Chief Clerk proceeded to call the roll.

Mr. GLASS (when his name was called). I have a general pair with the senior Senator from Connecticut [Mr. MCLEAN], who is unavoidably absent; but having reason to think that he would vote as I intend to vote, I feel at liberty to vote, and I vote "yea."

Mr. PHIPPS (when his name was called). On this question I have a pair with the Senator from Georgia [Mr. GEORGE]; but having reason to believe that he would vote as I intend to vote were he present, I am at liberty to vote, and I vote "yea."

Mr. PINE (when his name was called). I have a general pair with the junior Senator from New Jersey [Mr. EDWARDS]. Not knowing how he would vote, I withhold my vote.

Mr. ROBINSON of Arkansas (when his name was called). I have a pair with the Senator from California [Mr. JOHNSON], which I transfer to the Senator from New Mexico [Mr. JONES] and vote "yea."

While on my feet I wish to say that I have been requested to announce that the junior Senator from Arkansas [Mr. CARAWAY] is absent, and that he is paired with the Senator from Iowa [Mr. BROOKHART].

The roll call was concluded.

Mr. JONES of Washington. I desire to announce that the senior Senator from Illinois [Mr. MCKINLEY] is necessarily absent. If present, he would vote "yea."

Mr. FLETCHER. I have a general pair with the Senator from Delaware [Mr. DU PONT]. If he were present, he would vote "yea." I withhold my vote.

Mr. LA FOLLETTE. I desire to announce that the senior Senator from Nebraska [Mr. NORRIS] is detained at home on account of illness.

Mr. WHEELER. I desire to announce that the junior Senator from New Jersey [Mr. EDWARDS] is unavoidably detained on account of illness.

Mr. JONES of Washington. I desire to announce the following general pairs:

The Senator from Illinois [Mr. DENEEN] with the Senator from Missouri [Mr. REED];

The Senator from Illinois [Mr. MCKINLEY] with the Senator from Utah [Mr. KING];

The Senator from New Jersey [Mr. EDGE] with the Senator from Mississippi [Mr. HARRISON]; and

The Senator from Massachusetts [Mr. GILLETT] with the Senator from Alabama [Mr. UNDERWOOD].

Mr. WALSH. I desire to announce that the junior Senator from Utah [Mr. KING] is detained from the Senate by illness.

The result was announced—yeas 62, nays 8, as follows:

YEAS—62

Ashurst	Fess	Means	Simmons
Bayard	Gerry	Metcalf	Smith
Bingham	Glass	Moses	Smoot
Blease	Goff	Norbeck	Stanfield
Broussard	Gooding	Oddie	Stephens
Bruce	Hale	Overman	Swanson
Butler	Harreld	Pepper	Trammell
Cameron	Harris	Phipps	Tyson
Capper	Heflin	Pittman	Wadsworth
Copeland	Jones, Wash.	Ransdell	Warren
Couzens	Kendrick	Reed, Pa.	Watson
Cummins	Keyes	Robinson, Ark.	Weller
Curtis	La Follette	Robinson, Ind.	Williams
Dale	McKellar	Sackett	Willis
Ernst	McNary	Sheppard	
Ferris	Mayfield	Shortridge	

NAYS—8

Dill	Howell	Nye	Walsh
Frazier	Neely	Shipstead	Wheeler

NOT VOTING—26

Borah	Edwards	Johnson	Norris
Bratton	Fernald	Jones, N. Mex.	Pine
Brookhart	Fletcher	King	Reed, Mo.
Caraway	George	Lenroot	Schall
Deneen	Gillett	McKinley	Underwood
du Pont	Greene	McLean	
Edge	Harrison	McMaster	

So the Senate refused to overrule the decision of the Chair.

The VICE PRESIDENT. The question is on agreeing to the conference report.

Mr. BLEASE. Mr. President, I move that the Senate do not concur in the conference report, and that the conferees on the part of the Senate be discharged from further consideration of the bill.

Mr. HEFLIN. I move to lay that motion upon the table.

Mr. FESS. I rise to a point of order.

The VICE PRESIDENT. The Senator from Ohio will state his point of order.

Mr. FESS. A negative vote on the motion before the Senate will reach the same question in the way the Senator from South Carolina wishes to reach it.

The VICE PRESIDENT. The Chair will rule the motion of the Senator from South Carolina out of order.

Mr. BLEASE. Just a moment, please, sir.

The VICE PRESIDENT. The Senator from South Carolina is recognized.

Mr. BLEASE. My friend from Ohio is very much mistaken if he knows anything about parliamentary law. The motion now before the Senate if rejected will not discharge the committee. If there is any one thing I do know about, it is, I think, parliamentary law, and I insist on my motion. If the Chair rules it out of order, I shall, with the greatest respect for him, appeal from his decision, because I know I am right. Take a vote on it and vote it down if you want to do so, but do not try to side step it.

Mr. HEFLIN. Mr. President, I have moved to lay the motion on the table.

Mr. BLEASE. That is all right; I do not object to that.

The VICE PRESIDENT. The Chair has held the motion out of order. The question is, Shall the decision of the Chair in that ruling stand as the judgment of the Senate? [Putting the question.]

The decision of the Chair was sustained.

The VICE PRESIDENT. The question is on agreeing to the conference report.

Mr. ASHURST, Mr. SMOOT, and Mr. SIMMONS called for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. ROBINSON of Arkansas (when Mr. CARAWAY's name was called). The junior Senator from Arkansas [Mr. CARAWAY] is necessarily absent. He is paired with the Senator from Iowa [Mr. BROOKHART].

Mr. FLETCHER (when his name was called). I have a general pair with the Senator from Delaware [Mr. DU PONT]. If he were present, he would vote "yea." Not being able to obtain a transfer, I withhold my vote.

Mr. GLASS (when his name was called). I have a general pair with the senior Senator from Connecticut [Mr. MCLEAN]. Having reason to think that he would vote as I shall vote, I vote "yea."

Mr. JONES of Washington (when Mr. MCKINLEY's name was called). The senior Senator from Illinois [Mr. MCKINLEY] is necessarily absent. If present, he would vote "yea."

Mr. LA FOLLETTE (when Mr. NORRIS's name was called). I desire to announce that the Senator from Nebraska [Mr. NORRIS] has a pair with the Senator from New Mexico [Mr. BRATTON]. If the Senator from Nebraska were present, he would vote "nay," and if the Senator from New Mexico were present, he would vote "yea."

Mr. PHIPPS (when his name was called). Making the same announcement as on the previous roll call, I vote "yea."

Mr. PINE (when his name was called). I have a general pair with the junior Senator from New Jersey [Mr. EDWARDS]. I understand that if that Senator were present, he would vote "yea." Therefore I feel at liberty to vote. I vote "yea."

Mr. ROBINSON of Arkansas (when his name was called). I have a pair with the Senator from California [Mr. JOHNSON], which I transfer to the Senator from New Mexico [Mr. JONES], and will vote. I vote "yea."

Mr. HEFLIN (when Mr. UNDERWOOD's name was called). My colleague [Mr. UNDERWOOD] is absent on account of illness. If he were present, he would vote "yea."

The roll call was concluded.

Mr. BINGHAM. I desire to announce that my colleague [Mr. MCLEAN] is unavoidably detained by illness. If present, he would vote "yea."

Mr. NORBECK. I desire to announce that my colleague [Mr. MCMASTER] is absent on account of death in his family.

Mr. WALSH. I rise to announce that the Senator from Utah [Mr. KING] is absent on account of illness.

Mr. DALE. I desire to announce that my colleague [Mr. GREENE] is unavoidably absent. If he were present, he would vote "yea."

Mr. GERRY. I desire to announce that the Senator from Georgia [Mr. GEORGE], the Senator from Mississippi [Mr. HARRISON], and the Senator from New Mexico [Mr. JONES] are unavoidably absent; but if present, they would vote "yea."

Mr. HALE. I desire to announce that my colleague [Mr. FERNALD is absent on account of illness. If present, he would vote "yea."

Mr. JONES of Washington. I desire to announce the following general pairs:

The Senator from Illinois [Mr. DENEEN] with the Senator from Missouri [Mr. REED];

The Senator from New Jersey [Mr. EDGE] with the Senator from Mississippi [Mr. HARRISON];

The Senator from Massachusetts [Mr. GILLETT] with the Senator from Alabama [Mr. UNDERWOOD]; and

The Senator from Illinois [Mr. MCKINLEY] with the Senator from Utah [Mr. KING].

I also desire to announce that the junior Senator from Illinois [Mr. DENEEN], the senior Senator from New Jersey [Mr. EDGE], the junior Senator from Massachusetts [Mr. GILLETT], the senior Senator from Illinois [Mr. MCKINLEY], the junior Senator from Minnesota [Mr. SCHALL], and the junior Senator from Delaware [Mr. DU PONT] would, if present, vote "yea." They are all necessarily absent.

The result was announced—yeas 61, nays 10, as follows:

YEAS—61

Ashurst	Dale	Heflin	Overman
Bayard	Dill	Jones, Wash.	Pepper
Bingham	Ernst	Kendrick	Phipps
Broussard	Ferris	Keyes	Pine
Bruce	Fess	McKellar	Pittman
Butler	Gerry	McNary	Ransdell
Cameron	Glass	Mayfield	Reed, Pa.
Capper	Goff	Means	Robinson, Ark.
Copeland	Gooding	Metcalf	Robinson, Ind.
Couzens	Hale	Moses	Sackett
Cummins	Harreld	Neely	Sheppard
Curtis	Harris	Oddie	Shortridge
Simmons	Stephens	Warren	Willis
Smith	Swanson	Watson	
Smoot	Tyson	Weller	
Stanfield	Wadsworth	Williams	

NAYS—10

Blease	La Follette	Shipstead	Wheeler
Frazier	Norbeck	Trammell	
Howell	Nye	Walsh	

NOT VOTING—25

Borah	Edwards	Johnson	Norris
Bratton	Fernald	Jones, N. Mex.	Reed, Mo.
Brookhart	Fletcher	King	Schall
Caraway	George	Lenroot	Underwood
Deneen	Gillett	McKinley	
du Pont	Greene	McLean	
Edge	Harrison	McMaster	

So the report was agreed to.

ALUMINUM CO. OF AMERICA

Mr. WALSH. I ask that the unfinished business be laid before the Senate.

The VICE PRESIDENT. The Chair lays it before the Senate.

The Senate resumed the consideration of the report (No. 177) of the Committee on the Judiciary, submitted by Mr. WALSH on February 15, 1926, in the matter of the Aluminum Co. of America.

RECESS

Mr. JONES of Washington. I move that the Senate take a recess until 12 o'clock to-morrow.

The motion was agreed to; and (at 5 o'clock and 38 minutes p. m.) the Senate took a recess until to-morrow, Thursday, February 25, 1926, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

WEDNESDAY, *February 24, 1926*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

We hallow Thy name our blessed Lord, for it is the name above all other names in heaven and in earth; we therefore pause in Thy holy presence. Bear with us, O God; create in us clean hearts and renew a right spirit within, that we may move forward wisely to larger attainments. May we fully realize that the world has no lasting honors for those who seek only fame, while those who forget themselves to remember the needs of others often awake to find themselves remembered. Guide us by Thy law, rule us by Thy love, and lead us in the pathway of service. May the angel of Thy mercy, bounty, and goodness encamp round about us, and make all events conspire to serve our country and our fellow men. In the name of Jesus we pray. Amen.

The Journal of the proceedings of yesterday was read and approved.

SENATE BILLS REFERRED

Senate bills of the following titles were taken from the Speaker's table and referred to their appropriate committees as indicated below:

S. 451. An act for the relief of the city of Baltimore; to the Committee on War Claims.

S. 453. An act for the relief of Belle H. Walker, widow of Frank H. Walker, deceased, and Frank E. Smith; to the Committee on Claims.

S. 492. For the relief of Swend A. Swendson; to the Committee on Claims.

S. 585. An act for the relief of F. E. Romberg; to the Committee on Indian Affairs.

S. 850. An act for the relief of Robert A. Pickett; to the Committee on the Public Lands.

S. 867. An act authorizing the Secretary of the Treasury to pay the Columbus Hospital, Great Falls, Mont., for the treatment of disabled Government employees; to the Committee on Claims.

S. 989. An act to amend section 129 of the Judicial Code relating to appeals in admiralty cases; to the Committee on the Judiciary.

S. 1047. An act to reimburse the State of Montana for expenses incurred by it in suppressing forest fires on Government land during the year 1919; to the Committee on Claims.

S. 1463. An act to provide relief for the victims of the airplane accident at Langin Field; to the Committee on Claims.

S. 1473. An act granting permission to certain officers and men of the military forces of the United States to accept various decorations bestowed in recognition of services to the allied cause; to the Committee on Foreign Affairs.